

NEWS IN SUMMARY

City council outlaws a dustbin

Peterborough City Council has refused to empty a dustbin bought by Mrs Olive Hawkins because it is made of plastic and has only one carrying handle (our Peterborough correspondent writes). The £13 bin, the most expensive in the shop, was chosen by Mrs Hawkins, aged 35 and a mother of two, because of its modern design with a tight-fitting lid and wheels.

But the bin has failed to satisfy the city council which has warned Mrs Hawkins that she faces a fine of £100 unless it is replaced within 14 days by an officially approved galvanized iron model with two handles.

Mrs Hawkins said at her home in Holcroft, Orton Malborne, near Peterborough yesterday "I was told that because the bin had wheels it might run away with the dustmen".

Minister praises works council

Merseyside workers were described as a model for British industry yesterday, by Mr John Nott, Secretary of State for Defence.

He was visiting the Maxson torpedo factory in Neston, Wirral, where workers and staff have together formed a staff council, abandoning a trades union negotiation system. Representatives of factory floor workers and management are elected on to the council to help with the running of the factory.

Mr Nott said he was impressed by the working relations between staff and workers.

Farmer fined for B & B sign

Supporters of a farmer from mid Wales demonstrated outside a magistrate's court at Welshpool, Powys yesterday when he was fined £100 for displaying a bed and breakfast sign at a traffic roundabout without planning permission.

John Emberton, of Tynyllwyn Farm, Welshpool, pleaded guilty.

Mr Bennett Thistlethwaite, Emberton's solicitor, said: Emberton had been made a scapegoat and would be lodging an appeal against refusal of planning permission with a view to securing a public hearing.

Commander is reprimanded

Commander Robert Laverty of the Royal Navy survey ship, HMS Beagle, which grounded on Arklow Bank in the Irish Sea last October, was severely reprimanded by a court martial in Portsmouth yesterday.

He pleaded guilty to negligently performing his duty by failing to take all proper steps to ensure the safe conduct of his ship.

Pringle back at work

Lieutenant-General Sir Stuart Pringle, who survived an IRA bomb attack in October, is returning to duty today. Sir Stuart, Commandant General of the Royal Marines, had part of right leg amputated after his car was blown up.

Sixth typhoid case

Another case of typhoid has been confirmed in a boy, aged one, among four related Asian families in Southampton. He is the sixth child to contract typhoid. Another nine are under observation.

Deer crash fatality

Miss Karen Burrell, aged 20, of Woodbridge, was killed on the A12 at Darsham, Suffolk, yesterday when the motor-cycle she was riding ploughed into a herd of deer. Mr Stephen Macartney, aged 22, the rider, was unhurt.

Unity not just around corner, Vatican says

From John Earle, Vatican City

The Vatican has cautioned Roman Catholics against believing that unity with the Anglicans is just around the corner as a result of the work of the international commission for dialogue between the two communities. The commission, in its final report, envisages the possibility of Anglicans acknowledging a "universal primacy" for the Pope.

The Vatican published a letter yesterday from Cardinal Joseph Ratzinger, Prefect of the Congregation for the Doctrine of the Faith, to Mr Alan Clark, the Roman Catholic co-chairman of the commission, saying: "It is not yet possible to affirm that a really substantial agreement has been reached in all the questions studied by the commission."

The report was nevertheless "an important eccumenical event such as to constitute a significant step towards reconciliation between the Anglican Communion and the Catholic Church."

The congregation found, after studying the report, that "there are various points, held as dogma by the Catholic Church, which cannot be accepted as such, or are in a position of being accepted only in part, by our brethren of the Anglican Church."

A Roman Catholic theologian in Rome, Annio Innocenti, in a comment on the commission's work, said: "For some time Catholics have been deluding themselves about Anglicans." In 1957 Archbishop Fisher of Canterbury offered Pope Pius XII the "presidency" of a union among the principal Anglican churches. Pope Pius refused, he said, because he did not want to arouse illusions.

Now "they have come out by declaring their readiness to recognise an honorary primacy to the Roman Pontiff. Let him who wishes be deluded".

The Archbishop of Canterbury and his staff have known since Christmas that the Sacred Congregation for the Doctrine of the Faith had reservations, and fears were expressed since that report itself might not receive official permission for publication, our Religious Affairs Correspondent writes.

Several efforts were made to persuade Pope John Paul II in favour of publication. It was expected that the final report by the Anglican-Roman Catholic International Commission would appear with an official note of reservation by the sacred congregation, but that was not acceptable to the Archbishop of Canterbury.

Both sides reserved the right, therefore, to make a critical comment immediately after publication, and the Archbishop of Canterbury's comment was issued yesterday. He said that the Anglican Communion was not about to accept the First Vatican Council's declaration on papal infallibility.

By a strange twist the action proposed by the Vatican will give an opportunity for every one of the thousands of bishops throughout the Roman Catholic Church, to express a view on the theology of the papacy.

Cardinal Hume, Archbishop of Westminster, said on his return from a visit to the Pope yesterday that the Pope was not over-concerned about opposition in Britain to his visit in May, "but I think it would be very foolish to be complacent".

The cardinal said he had felt ashamed to have had to tell the Pope about opposition to the visit.

Ratzinger's full text

The following is the official Vatican text of the letter sent by Cardinal Ratzinger to Mr Alan Clark:

My Lord Bishop, After 12 years of work together, the Anglican-Roman Catholic International Commission (ARCIC) composed of theologians appointed by both communions, sent to their respective authorities a final report which sets forth the results obtained through their theological research and continued prayer, on the important questions of eucharistic doctrine, ministry and ordination, and authority in the Church.

At the request of the Holy Father, the Congregation for the Doctrine of the Faith has studied the ARCIC final report and believes that it is an important eccumenical event which constitutes a significant step towards reconciliation between the Anglican Communion and the Catholic Church.

In the same spirit of sincerity that marks the work of ARCIC, and with the desire to contribute to that clarity so indispensable for genuine dialogue, the congregation must also express its view that it is not yet possible to say that an agreement which is truly "substantial" has been reached on the totality of the questions studied by the commission.

In effect, as the report itself indicates, there are several points held as dogmas by the Catholic Church, which are not able to be accepted as such, or

are able to be accepted only in part, by our Anglican brethren. Furthermore, some formulations in the ARCIC report can lead to misunderstandings and interpretations, while others do not seem able to be easily reconciled with Catholic doctrine. Finally, while recognizing that the mission of the commission was legitimately limited to essential questions which have been the focus of serious differences between our two communions in the past, one should note that other questions must be examined as well, together and in the same spirit, in order to arrive at a definitive agreement capable of guaranteeing true reconciliation.

This is why, in the judgment of our congregation, everything should be done to ensure that the dialogue so happily undertaken should continue, that there be further study, especially of the points where the results obtained are far from clear, and that the study be extended to other questions indispensable for the restoration of the ecclesial unity willed by Our Lord.

The Congregation for the Doctrine of the Faith, therefore, will send detailed observations about the ARCIC final report to all of the episcopal conferences at its contribution to the continuation of this dialogue.

United with you in prayer that the Holy Spirit may inspire and guide our common efforts so that "they all may be perfectly one" (John xvii, 21 and 23), I am, Sincerely yours in Christ, Joseph Cardinal Ratzinger

Leading article, page 9

Court told about 50 marks of violence on baby

A pathologist described the savage injuries he found on Donna Louise Fidler, aged 18 months, who died, it is alleged, after being kicked around a bedroom "like a rag doll" by a schoolboy aged 14, in the hearing of Sheffield Crown Court that the boy's girlfriend, aged 16, joined in the attack and punched the baby.

Mr and Mrs Raymond Fidler, the baby's parents, were in court when Professor Alan Usher, the pathologist, told the jury of 50 marks of violence he found

An extra week for health supplement

The Times Health Supplement, whose closure was announced by Times Newspapers Limited on Monday, has been reprieved.

Agreement was reached between the company and the Authors' Union of Journalists to publish its week in the hope a buyer will be found.

The company decided to close the supplement, launched last October, because it was losing £2,000 a week. Mr Noel Howell, national organiser for the NUJ, said yesterday: "We would hope that this magazine can still be saved by a new publisher."

Journalists 'have duty to guard media freedom'

From Arthur Osman, Coventry

Journalists had a duty to protect the freedom of their media even though they were not perfect, Mr Harry Conroy, president of the National Union of Journalists, told the union's annual delegate meeting which opened at the University of Warwick, yesterday.

In his printed address, Mr Conroy said: "Media freedom is threatened by Government, by proprietors, by the misuse of new technology, by the uncontrolled growth of free newspapers and by bings."

He said government attacks on media freedom could be seen in the new contempt law in England which inhibited court reporting and also in attacks by ministers on the union's broadcasting members' handling of Northern Ireland. "Proprietors, too, have shown a greater tendency to

attempt to dictate the political views of their publications."

He said that a basic requirement of a free media was access for differing points of view. Local radio had attempted to ensure that

machinery on which time could be rented, thus removing the onerous capital investment required to launch a newspaper.

On free newspapers, Mr Conroy said that if we were to move towards publications that relied purely on advertising for income and being directly delivered, whether people wanted them or not, editorial safeguards were required.

In Glasgow, a big free newspaper was planned that would almost certainly take advertising revenue from the city's only remaining evening newspaper. "What will this free newspaper give back to the community? Will it act as a watchdog over abuse of power? We suspect not."

He said new technology had been hailed as the saviour of the press, it could be, but not if it was merely introduced to increase profits.

The union should be calling on the Government to implement the minority report in the last Royal Commission on the Press. That suggested that a national printing corporation be set up to provide printing

Crime and punishment



Sir Peter Matthews, Surrey's Chief Constable, holds a 10ft telex roll listing the alleged crimes of one man arrested yesterday. Sir Peter called for the return of hanging after his annual report showed a record number of offences by people with firearms.

Squalor in Britain's prisons

By Stewart Tendler, Crime Reporter

Life in many prisons can be degrading and brutalising, according to the picture painted yesterday in the independent prison inspector's first annual report.

A third of all prisoners live two or three to a cell designed for one, sewage foods wings; baths and kitchens do not work properly; and work was non-existent or scarce, leaving men idle in their cells.

The Government is committed to building eight more prisons by 1985, and improvements to present buildings will add 5,000 places, but the report says that that will not abate the problems. "The vulnerability of prison accommodation is so great and the decay of the existing estate so rapid that these projects cannot be expected to add significantly to the existing stock."

The long-term solution to the overcrowding must be to reduce the prison population of 44,000. England and Wales to 37,000. In the short term, more prisoners on relatively short sentences of three to seven years in local prisons could be moved to training prisons which normally take offenders with longer sentences.

The Inspectorate, formed on the recommendation of the May committee on the prison service, examined 17 prisons last year during full inspections, and carried out unannounced inspections at another 10. Its findings on individual prisons are being published as separate reports, but overall they identified three important areas of concern: overcrowding, work and repairs.

The report, by Mr W. A. Brisks, the deputy chief inspector, says that overcrowding largely concerns local prisons where they found 5,674 prisoners in six prisons, Gloucester, Leeds, Durham, Brixton, Manchester and Birmingham, living in space for 3,548 prisoners. The inspections "brought home with great force the appalling conditions in which the inmates of these prisons are required to live".

The report says: "If any reader unfamiliar with the prison system finds it difficult to picture the squalor in which many inmates live, let me suggest that he spend the time, let him imagine himself obliged to stay in a hotel so overbooked that he has to share his room with two complete strangers. The

room itself is so cramped that there is little space for his clothes or personal possessions, and if he wants to walk up and down the other occupants must first lie on their beds."

"Worse, the hotel management insists that guests remain in their rooms for all but an hour or so a day and must take their meals there. As a result, the atmosphere rapidly becomes a fetid cesspool since neither the reader or his room-mates have been able to take a bath for some days."

Furthermore, the report says, there is no lavatory apart from chamber pots. "If the reader does not conclude that such an experience lasting several days would be degrading and brutalising, he is being less than honest with himself. How much worse would it be after several weeks?"

Overcrowding means that sewerage and water systems cannot handle the demand. Sewage washes back into wings and at Leeds, with 1,193 prisoners in a space meant for 612, the water supply is so strained that only four of the twelve baths can be used.

There is rarely room within the prison perimeter for new buildings to cope with modern demands. Staff start to feel threatened by the sheer weight of numbers. The problem of inadequate work for prisoners is such that Leeds and Birmingham 300 men were idle, and in other prisons the working day was little more than a few hours. The reason for inactivity was lack of provision. Birmingham had four workshops where once there had been twelve, and at Durham the workshops operated for 8 to 10 hours a week.

Training prisons were better provided but at one the inspectorate found that 200 out of a population of 745 men stayed in their cells because of lack of work. To overcome that problem the report suggests the possibility of improving education programmes in local and training prisons, and using workshops to full capacity.

As far as maintenance of buildings is concerned, the report finds that the backlog is so great in some prisons that it will be difficult to catch up.

Mr William Whitelaw, the Home Secretary, said in foreword to the report that he recognized the mismatch

between the demands made upon the prison service and its resources, and the Government would aim to correct that.

Mr Whitelaw said: "The major problems have been decades in the making and cannot be resolved overnight."

Mr Vivien Stern, director of the National Association for the Care and Resettlement of Offenders, said the report showed a startling indictment of the treatment of prisoners, which meant that they were released more embittered and less able to cope than when they went into prison.

Report of Her Majesty's Chief Inspector of Prisons for England and Wales, 1981. (Stationary Office, 1A.35p).

Foot attacked over riots warning

Mr Whitelaw yesterday described as highly deplorable a suggestion by Mr Michael Foot, the Labour leader, that rising unemployment, particularly among the young, would lead to more riots this summer (Hugh Noyes writes).

Answering questions in the Commons in the absence of the Prime Minister, Mr Whitelaw told Mr Foot that he would have thought that all MPs wished to see peace on our streets and no riots of any sort during the summer.

In bitter exchanges and amidst angry shouts from the Conservative benches, Mr Whitelaw added that it was highly irresponsible to suggest that riots might occur.

The exchanges arose from an admission by Mr Norman Tebbit, Secretary of State for Employment, that unemployment could rise above three million again soon as more young people came on to register. Mr Foot said that the Home Secretary should know well that there was a connection between mass unemployment and the riots: that was what Mr Scarman had also said.

Mr Patrick Mayhew, Minister of State at the Home Office, said yesterday that a Tory backbench proposal to impose curfew orders instead of custodial sentences on some young offenders was "an imaginative way of emphasizing parental responsibility" (the Press Association reports).

Declaration of war on IRA by Garda

From Peter Evans, Bantry, co Cork

An unprecedented declaration of war on the IRA and the Irish National Liberation Army was made yesterday by the leadership of middle-ranking police officers in the Irish Republic.

Mr Philip Callanan, president of the Association of Garda Sergeants and Inspectors, told Mr Sean Doherty, the Minister of Justice: "You can be assured of our total support in any measures you may wish to take to defeat these evil men."

The change in policy to give public leadership to a campaign against terrorism comes after the deaths of association members and recent arms cache finds and arrests. Mr Callanan's attack was said by association officials to have made him a possible security risk and armed guards were inside and outside the conference venue yesterday.

"For the past six or seven years we have seen the violence spill over into this part of the island. The brutal death of six of our members is terrible testimony to this", he said.

"Add to this the deaths of over 100 of our colleagues in the North and others in Great Britain and we can see the havoc wreaked by these criminals. We must also remember the hundreds of innocent civilians who have perished in this senseless era of violence."

Mr Callanan disclosed that between 1970 and 1980 recorded crimes committed with the use of arms rose from 54 to 286, a 430 per cent increase. That was well over twice the increase in recorded crime in the same period.

Mr Callanan said: "There is now a significant decline in the support and resources of the IRA. At last it seems that the vast majority of the Irish people are coming to the realization that the IRA has nothing to offer but strife, murder and pillage."

CA crowded political programme will mean it is impossible for Mrs Margaret Thatcher and Mr Charles Haughey, the Republic's Prime Minister, to meet to discuss Northern Ireland until the summer (Ian Murray writes from Brussels).

Asked about a future meeting, Mrs Thatcher said that one would take place in the normal way that bilateral meetings between Britain and "the Irish Free State" were always held. It was, however, impossible to arrange "any meeting" during May or June, so July was the earliest possible date.

The government of the Republic has nominated Mr Richard Burke, an Opposition deputy to be its new European Commissioner.

An RUC policeman was seriously injured in west Belfast yesterday when gunmen forced at his car as he was about to pick up a cleaner and take her to work. (Richard Ford writes)

Labour students take over NUS executive

By Ian Bradley

Britain's one million students are likely to find themselves more closely tied to the Labour Party and the trade union movement as a result of elections to the National Union of Students' executive yesterday.

The presidency and most of the other posts went to Labour candidates, ending a period of non-party rule.

The new president is Mr Neil Stewart, aged 26, an Aberdonian educated at Aberdeen University and Aberdeen College of Commerce, where he has just completed a postgraduate course in communications.

He defeated his main rival, Mr Douglas Herd, a communist and the Left Alliance candidate by 347 votes to 193, one of the biggest majorities of recent NUS elections.

The Left Alliance, a broad coalition of Communists, Liberals and others, has dominated the union for the

Science report

Surprising sights at galactic centre

By the Staff of "Nature"

The centre of our galaxy, the Milky Way, is obscured by clouds and clouds of dust. Ordinary light emitted at the centre is dimmed 100,000 million times before it reaches us in the solar system, out on the edge of the Milky Way. But at some wavelengths, notably in the "infra-red" ("heat" radiation) the dust is conveniently transparent. Now a team of astronomers from the Royal Greenwich Observatory working at the Anglo-Australian Observatory in New South Wales has capitalized on the fact, and produced the best yet images of the galactic centre in infra-red light.

The image contains two surprises: two clouds of hot material sitting close to an object best known to radio astronomers as Sagittarius A West, an intense radio emitter that is believed to be the true centre of the galaxy.

The clouds are close together in astronomical terms, about half a light-year apart, but the observations cannot tell if the clouds sit exactly astride the radio source, or are to one side of it. The question is interesting, because some theories suggest that the galactic centre is a miniature version of much more intense "radio galaxies", which usually show a double structure, with emitting regions on either side of some central power source.

However, radio observations of the galactic centre have not detected any double structure, so the infrared astronomers prefer to leave the question open. There are two possible interpretations of the data, they say. The first is that the objects are super-giant stars, the biggest and brightest of all star types.

The second is that they are clouds of "ionized" hydrogen in which the electron has been stripped from the proton nucleus of the hydrogen atom. Such hydrogen clouds, however, must be illuminated by some brilliant source of light. Asked about a newly formed star to keep them ionized, and the question then becomes, what is that source of light?

One possible explanation could be that there is so much matter near the galactic centre that new stars are forming quite frequently from the accumulated gas and dust; and another turns back to the double source theory, and suggests that the central object itself illuminates the clouds. Observations distinguishing between the two theories are planned. Source: Nature vol 296 p 333 (March 25, 1982) © Nature-Times News Service (1982)

Grants victory

The Architectural Association has won a 10-year battle to get its undergraduate course designated by the Government as the purpose of mandatory student awards (Our Education Correspondent writes).

From September, all British and EEC students at the association's school of architecture will receive a means-tested maintenance grant of up to £1,900, plus £480 toward the cost of tuition fees. They will still have to find a further £2,770 out of their own pocket.

Egon Schiele drawing fetches £45,360

By Geraldine Norman, Sale Room Correspondent

Impressionist and modern drawings for sale at Christie's yesterday produced one or two surprise high prices. An Egon Schiele drawing in tempera and pencil of a Russian prisoner of war dated 1916, and for £45,360 (estimate £20,000 to £35,000).

A rare watercolour by Berthe Morisot of a lady seated in a field playing with a child, reputed to depict her sister, Madame Pomillon, sold for £42,120 (estimate £24,000 to £28,000), a price that would be considered healthy for a Morisot oil, let alone a watercolour.

The drawings sale was 16 per cent unsold and a sale of middle range paintings, drawings and sculpture was left 27 per cent unsold. The market is not as buoyant as last year, but there were still many moneyed buyers. They were mainly European. There was

not the usual interest from America, nor was there much interest from Japan.

Indian artefacts were for sale at Sotheby's with a few rather off-beat offerings.

Correction

© Sotheby's estimate for Fernand Legar's "Contraste de Formes" was £240,000, not £240,000 to £280,000 as stated in yesterday's sale report.

Overseas selling prices:
Austria £25,000; Canada \$10,000; Germany \$10,000; Italy \$10,000; Japan \$10,000; Netherlands \$10,000; Norway \$10,000; Sweden \$10,000; Switzerland \$10,000; USA \$10,000.

THE STYLE IS VINTAGE BUT NOT THE PRICE

Also Old Coronation Ruby and finest Old Bannocks.

Imported by Burt's (Overseas) Ltd, London

سكينة محمد الامل

Labour resolves quarrel over oil compensation

By Donald Macintyre and Jonathan Davis

Labour's left and right wings appear to have resolved the bitter quarrel which came to a head last November over whether compensation should be paid to owners of all oil and gas assets nationalised under a future Labour government.

That emerged as Sir Ernest Woodroffe, until December a member of the board of British Gas and a former chairman of Unilever, renewed his attack on the Government's Oil and Gas (Enterprise) Bill, which, he said, would increase most gas prices. The Bill provides for the sale of oil assets owned by the British National Oil Corporation and British Gas as a monopoly gas supplier.

The Labour move comes after what Mr Wedgwood Benn's colleagues on the TUC-Labour Party liaison committee see as a marked shift by him away from his previous commitment to a policy of renationalization without compensation.

Although the details still have to be worked out between the party and the TUC, Mr Merlyn Rees, Opposition spokesman on energy, firmly said yesterday that there would be no confiscation of any oil and gas interests.

Mr Rees was speaking at a press conference as a lobby of Parliament protested at the Bill. A joint statement signed by Mr Rees and four unions represented at the lobby said that "the Labour Party will on renationalization ensure that nobody profits from this nation" at the expense of the nation.

Mr Benn drew the anger of Mr Rees and other Shadow Cabinet colleagues in November when he said in a Commons energy debate that Labour would "re-acquire without compensation all the assets alienated by the Government".

UK's ability to protect islanders questioned

FALKLANDS

The question of security in the Falklands area was being reviewed, Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs.

Subsequently, the majority of the Argentine party and the Argentine ship departed; but about a dozen men remained on shore.

We therefore made it clear to the Argentine Government that we regarded them as being present illegally on British territory, and sought their cooperation in arranging for their departure, pointing out that their position could be regularised if they were to seek the necessary authorisation.

Union leaders and Labour MPs at yesterday's press conference angrily attacked the Government plans for the sale of British oil and gas fields in the North Sea.

Sir Ernest's renewed attack on the plans to allow private suppliers to enter the industrial gas market is made in a letter to Mr Nigel Lawson, Secretary of State for Energy. He says: "I remain fearful that if this Bill is passed, a large section of gas customers will have to pay higher prices for its supplies."

Sir Ernest and Mr Lawson have both been circulating Conservative MPs with copies of their exchange of letters on the gas proposals in an attempt to muster support for their arguments.

In his letter to Mr Lawson, Sir Ernest says that his Bill will stimulate exploration for gas supplies and allow more big industrial concerns to obtain gas supplies.

Sir Ernest's reply is that Mr Lawson has done nothing to allay his fears that the Bill would have "long-term damaging effects".

Further escalation of this dispute is in no one's interest. In these circumstances it is clearly right to pursue a diplomatic solution of this problem. This we are doing.

The Argentine Government will take the same view. Meanwhile, the question of security in the Falklands area is being reviewed.

Although the House will understand that I prefer to say nothing in public about our precautionary measures.

He can, however, inform the House that HMS Endurance will remain on station as long as is necessary.

Lord Shackleton, for the Opposition, said it was a measured and sensible statement. None of us (he went on) would wish to exacerbate what is a potentially dangerous situation already.

The situation in the Falklands is of the utmost importance to all of us preserving a sense of caution. Now is the time to exercise the maximum of diplomatic skills.

The fact remains that the Falklands and South Georgia have been British for a very long period. The preservation of British interests in this part of the world — and I appreciate Lord Carrington's firm reiteration of our stand — is not only the protection of the British

people in the Falklands but could affect the peace of that area of the Antarctic.

It is important for conservation and for all sorts of measures that we retain our position in that part of the world. It is gratifying that HMS Endurance is still there. For those who doubt the effectiveness of the decision, it is important.

The decision announced some while ago to cancel HMS Endurance must have encouraged the Argentine Government to believe that the British were on the way out.

Lord Shackleton added that he was rung up by a friend at the Argentine Embassy who asked for confirmation of the decision. He denied it vigorously.

We ought not (he said) to press the Foreign Secretary on the precautionary measures. Nothing we say here of that kind, any belittling statement, will help a situation which is difficult to manage.

Lord Gladwin (L) said it was hoped that diplomatic would succeed in solving the dispute. In the event of diplomacy failing (he went on) we must all assume that the Government has contingency plans, if necessary, to settle the dispute by other means.

In the course of this long dispute has the Government ever considered the possibility of referring the matter to the International Court and to abide by the court's decision?

Sovereignty disputes are essentially legal matters. If our case is strong, we should be able to win a great deal of prestige by submitting it to the court.

Lord Carrington: Diplomacy is the way to settle this problem. That is why we have a Foreign Office and diplomats. We must solve it in this way.

The preservation of British interests in the interests of peace in the South Atlantic is the Government's policy. It has been useful in keeping the cold war out of the area.

HMS Endurance will stay on station as long as necessary. Of course the review which I mentioned in my statement obviously includes the long-term future of the Endurance.

It takes two to refer a matter to the International Court of Justice. I do not think they will take a case unless both parties are prepared to put it to them.

Lord Buxton of Alton (C): The situation in the Falklands has been right and correct in the circumstances.

When Lord Carrington's statement was repeated in the Commons by Mr Richard Luce, Minister of State for Foreign and Commonwealth Affairs, Mr Denis Healey, the Opposition spokesman, said: The feeble statement this afternoon will lead many, even on this side, to agree

supplementary benefit so they are not registered? Would it not be better, instead of twisting the figures, to create the real jobs promised in the massive advertising campaign in 1979? When does he expect unemployment to get down to the level he inherited in 1979?

Mr Tebbit: No, the government does not create jobs; customers create jobs when they buy goods and when customers come forward to buy the goods offered by the Government. We know that there will be an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

Mr Cryer: Is he concerned that the TUC commissioners on the Manpower Services Commission will have an increase in the number of jobs to offer, not before.

Mr Robert Adley (Christchurch and Lynton, C): Over the last three months, the unemployment has been dramatically lower than almost every other country in OECD. To what does he attribute this?

Mr Tebbit: The increase in unemployment is a number of other OECD countries is much greater than in Britain and it is because our economy is becoming more competitive relative to theirs. Some countries pursuing socialist policies are finding interest rates rising.

for once with The Daily Telegraph that the Government's conduct in this affair appears foolish and glib.

We should all agree that a diplomatic settlement is needed in this dispute which raises severe problems with the Atlantic Treaty which is due for renewal next year.

Mr Luce will agree with what the Secretary of State for Defence said yesterday that diplomacy must be used to secure an effective deterrent against unilateral action by the other party.

This dispute has revealed that the Government's defence priorities are mistaken. It has crippled the Royal Navy for the sake of the Trident programme, and the result is that these recent events have found the Government with its trousers down in the south Atlantic. It is not surprising that the Government has been tempted by the target which is provided.

We welcome the U-turn on the presence of HMS Endurance, but Mr Luce must be aware that this clapped out (he said) is no match for the five or six warships which the Argentine Government is reported to be sending towards the area armed with Exocet missiles.

I can understand Mr Luce's preference to say nothing about other measures, but that is because he has nothing to say. The Government has no defence responsibility for a grave dereliction of duty in putting itself in a position where it is totally unable to make any response to a threat which has now been mounted for the last three weeks.

Mr Luce: I find it difficult to understand what Mr Healey is trying to suggest that we should do. On the one hand he says it is right to seek a diplomatic settlement, while on the other he is saying we should do nothing. He is suggesting we should take some other action.

Mr Healey: I do not believe that it is the desire of the House that we should do whatever we can through diplomatic channels to achieve a peaceful settlement of this problem.

In the meantime we are reviewing the security situation. It is necessary to do so, and HMS Endurance will remain there for as long as is necessary.

Mr Healey: He has missed the point. This Government has consistently argued that negotiations cannot succeed except from a position of strength, but it has left Britain in a position of weakness as a direct consequence of its defence priorities.

That is the reason we face damaging humiliation in a situation which the Government should never have allowed to arise.

Mr Luce: That remark does not particularly help the present situation. We are trying to seek a diplomatic solution to this problem. That is the desire of all people who want to see peace in that area. It is right that we should do so.

Mr Nigel Fisher (Kingston upon Thames, Surrey, C): He has said that we will protect the islanders to the best of our ability. The problem is that we have not got the ability. The Endurance is not a warship, but in the circumstances it is

we take it seriously. Will he admit that in the White paper published at the time of the budget the Government forecast registered unemployment to stay above 3m for the remainder of this year at least? Is not that harmful?

Mr Tebbit: Such figures are not forecasts. The Chancellor made no statement about the remainder of the year. He provided that inflation and interest rates continued their downward path and there was control of Government expenditure and the money supply, which is being achieved, and provided there was reasonableness in wage agreements, then the prospects were better than those that appeared in the White Paper.

Mr Tebbit: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Mr John Townsend (Bridlington, C) had asked Mr Tebbit about the extent to which British membership of the International Labour Organisation might restrict the Government's rights to propose to amend or abolish wages councils.

Mr Tebbit replied: The United Kingdom's ratification of International Labour Convention No. 26 requires the Government to maintain minimum wage-fixing machinery in trades or parts of trades in which no arrangements exist for the regulation of wages by collective agreement or otherwise and in which wages are exceptionally low, but particular wages cannot be changed or abolished where appropriate under the provisions of the Wages Council Act 1979.

Mr Townsend: The wages councils regulations are making a mockery of the Government's attempt to create jobs for school leavers under the young workers scheme.

Fisher: Not got ability.

It is the duty of the British Government to support and defend the islanders to the best of our ability. It is surely preferable that we should do our utmost to seek a diplomatic solution, and that is what we are trying to do.

Sir Anthony Kershaw (Stroud, C): The impudence of the Argentine Government is matched only by the impudence of Mr Healey, whose policy it was to reduce the Navy and to make exactly the events come about which have.

Would it not be a good thing if the Government, instead of sending massive shipments of grain to Russia, concentrated on getting its own house in order at home? Would it not be better to work as far as we can for a diplomatic solution?

Mr Luce: It would be sensible for all concerned if we do not take any provocative action but take action designed to bring about a peaceful resolution of this particular problem.

Mr James Callaghan (Cardiff, South-East, Lab): In supporting the Government's attempts to solve this problem by diplomatic means, which is clearly the best and most sensible way of approaching the problem, there have been other recent occasions when the Argentineans, when faced by internal troubles, have tried the same sort of tactic of diversion.

On a recent occasion of which I have full knowledge we assembled ships that were stationed in the Caribbean, Gibraltar and the Mediterranean. They stood about 400 miles off the Falkland Islands in support of HMS Endurance. When this became known, the Argentineans sent a fleet of ships to the area. I trust it is the same sort of thing.

Mr Luce: I am certain the House and I on behalf of the Government listened to what he said with great respect. We note what he has had to say.

Mr Healey: It is clear from the interchange that the Government accepts that the landing of these men in South Georgia was a deliberate provocation by the Argentine Government, for whatever purpose I do not know. It has taken place because the present Government has not taken any sensible precaution of assembling adequate naval forces in the area as the Labour Government did on a similar occasion. It should learn from this experience.

This is the first price we are paying for the dreadful error in priorities in the Government's defence policies.

Mr Luce: It is easy to say that. We are doing our best to resolve this problem. We have a duty to the islanders. I do not think it helps to try and make comparisons with previous governments.

Mr Healey: I find his last point highly deplorable. I would have thought that all MPs wished to see peace on our southern shores and no riot of any sort in the summer. If he suggests that such riots might occur, that is highly irresponsible (Conservative cheer).

Mr Thatcher and I have always made clear, as have other ministers, that of course unemployment and many other factors of crime, but there are many other difficulties and many matters for which every MP has responsibility. He knows that well.

Mr Foot: If he finds it deplorable he should go away and do his duty by reading the Scamman report which justifies up to the hilt everything I said.

Mr Whitehead: I simply find it deplorable that Mr Foot should suggest that there is any excuse whatever for any violence or riots on our streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Mr Whitehead: The Government has taken many important steps following the Scamman Report. They will continue to take them. But nothing that Lord Scamman or anyone else has said can excuse the violence or riots on the streets.

Mr Foot: What I said was that there is a connexion (Conservative interruptions) — between unemployment, particularly among young people, and the riots. That is what Scamman said. The Government should wake up and do its duty to try to prevent mass unemployment.

Evans: Not deterring

really not enough. What else does the Government propose to do? Mr Luce: I do not think it would be right for me to comment in detail about the security review we are undertaking.

Sir Frederick Burden (Gillingham, C): We must, while doing everything possible to settle this dispute by diplomatic means, take measures, if this was a probing operation, to ensure that any follow-up by Argentinean forces is not successful.

Mr Luce: It was noted that the landing of a certain number of men on March 24 was undertaken with the use of an Argentinean naval vessel. This caused us concern and continues to do so, but that does not detract from the point that we should work as far as we can for a diplomatic solution.

Mr John Evans (Newton, Lab): Why is not our possession of a vastly more expensive deterrent deterring the Argentineans? Mr Luce: I am Minister of State for the Foreign Office and not Secretary of State for Defence.

Mr James Callaghan (Cardiff, South-East, Lab): In supporting the Government's attempts to solve this problem by diplomatic means, which is clearly the best and most sensible way of approaching the problem, there have been other recent occasions when the Argentineans, when faced by internal troubles, have tried the same sort of tactic of diversion.

On a recent occasion of which I have full knowledge we assembled ships that were stationed in the Caribbean, Gibraltar and the Mediterranean. They stood about 400 miles off the Falkland Islands in support of HMS Endurance. When this became known, the Argentineans sent a fleet of ships to the area. I trust it is the same sort of thing.

Mr Luce: I am certain the House and I on behalf of the Government listened to what he said with great respect. We note what he has had to say.

Mr Healey: It is clear from the interchange that the Government accepts that the landing of these men in South Georgia was a deliberate provocation by the Argentine Government, for whatever purpose I do not know. It has taken place because the present Government has not taken any sensible precaution of assembling adequate naval forces in the area as the Labour Government did on a similar occasion. It should learn from this experience.

This is the first price we are paying for the dreadful error in priorities in the Government's defence policies.

Mr Luce: It is easy to say that. We are doing our best to resolve this problem. We have a duty to the islanders. I do not think it helps to try and make comparisons with previous governments.

NEWS IN SUMMARY

Mexican volcano kills 12

Pichucalco, Mexico. — At least 12 people were killed and 80 injured when a volcano erupted and spread heavy ash over a wide area of south-eastern Mexico.

Several towns were isolated by the mounting ash from 34,000 ft. Chichon volcano, 550 miles south-east of Mexico City. The regions two largest airports, at Villahermosa and Tuxtla Gutierrez, were forced to close because the ash impeded visibility.

The National Geophysics Institute said the volcano began to erupt on Sunday night and spread a thick cloud of dust over a radius of 50 miles. The deaths occurred in the towns of San Francisco, San Juan Ostochcan and Chichon, in the state of Chiapas, bordering Guatemala.

São Paulo jail revolt crushed

São Paulo. — Four prison staff and at least eight prisoners were killed when Brazilian military police crushed a revolt at the São Paulo state penitentiary, the authorities said.

A four-hour uprising ended when the police stormed on to the roof of the building and killed the leaders of the rebels, who had taken the governor and other prison staff hostage.

The revolt broke out when six jailed bank-robbers crossed a low-security wing and burst in on a lunch party given by Senator Luis Camargo Wolfmann, the prison governor.

Brezhnev rests in hospital

Moscow. — President Brezhnev, who returned on Friday after a taxing four days in Tashkent, is now in hospital, according to Soviet sources. He is not said to be seriously ill, but resting and recuperating after a heavy schedule (Michael Binyon writes).

Mr Brezhnev, aged 75, is understood to be in a hospital near the Kremlin which is used by top officials. The street nearby has been closed for the past two days. He fires easily and his schedule is arranged to allow him frequent periods of rest.

Surgeon's trial for vasectomy

Rome. — Dr Giorgio Conci, a surgeon from Lucca, Tuscany, is to stand trial there on Thursday accused of intentionally causing bodily harm to 49 male patients who voluntarily underwent vasectomy operations by him. At a press conference called by the Italian Association for Voluntary Sterilization, Dr Conci said the Lucca public prosecutor had called the 49 witnesses from their homes in different parts of Italy to ask if they really had volunteered for the operation. He faces a possible 12-year sentence.

Kidnap victim resigns seat

Naples. — Signor Cirillo, the Christian Democratic politician held by the Red Brigades for 88 days last year, has resigned his post on the regional government, saying it would free his party from unfair accusations.

He has been the subject of controversy over the £675,000 ransom paid for his release. His family says they raised the money, but there have been accusations that the party which has publicly been firm in its refusal to negotiate with terrorists, paid the ransom, using the Neapolitan underworld.

Turkish-Greek property clash

Ankara. — Turkey has threatened counter-measures if Greece expropriated land or property of ethnic Turks in the north-eastern Greek region of Thrace.

A Foreign Ministry spokesman, asked about Turkish press reports that Athens may be planning such expropriations, he said that the Turkish Government was preparing a draft Bill to take counter-measures with international law if Greece took over any of the property of ethnic Turks.

Karpov licked

Moscow. — The Soviet post office has issued a stamp with a picture of Anatoly Karpov, the reigning world chess champion. Special first-day envelopes commemorate his victory over Viktor Korchnoi in Merano last year, and note that he has now won the championship three times in succession. It is rare for a living person to be portrayed on a Soviet stamp. Karpov already holds the Order of Lenin.

CORRECTION

The remarks in the last paragraph of yesterday's report from Paris, calling for a pause in the pace of French Government reforms and estimating their cost, were made by M Yvon Gump, President of the French Employers Federation, not M Jacques Delors, the Minister of Finance.

Arabs strike in Israel as unrest spreads

From Christopher Walker, Jerusalem, March 30

The wave of Arab protest in the occupied territories spread into Israel proper today as many of the country's 600,000 strong Arab minority staged their own series of strikes, marches and demonstrations.

The one-day protest was called to mark the anniversary of the occasion in 1976 when six Israeli Arabs were killed while demonstrating against Israeli land seizure. It was also directed against Israel's recent hardline policies in the West Bank and the Gaza Strip.

The extension of Arab unrest came only hours before Lord Carrington, the Foreign Secretary, was due to begin a 48-hour official visit to Israel which has already been the target of much Arab criticism.

By tonight, Arab demonstrators and police had been injured in sporadic outbreaks of violence but the security forces were noticeably less severe than in the occupied territories where six Arabs have been killed and more than 30 injured by bullets in the last eleven days.

At least 40 Israeli Arabs were arrested during demonstrations which included the erection of barbed wire and the flying of illegal Palestinian flags. Slogans were shouted denouncing the recent clampdown in the West Bank in many of the towns and villages in Israel's northern Galilee region.

The strike was almost total in the largest Israel Arab town of Nazareth, as it was in the old city of Acre. Many thousands of Arabs also refused to go to their jobs in Jewish-owned companies.

The solidarity strike with the West Bankers was far from unanimous, but diplomatic observers described the

Lebanon truce divides PLO

Beirut. The scattered violence in the West Bank and Gaza is fast being mythologized in the rest of the Arab world as a mass uprising against the Israelis (Robert Fisk writes). It was celebrated in just such a fashion in Beirut today with a rally of 10,000 Palestinians, brass band hour-long speeches by the Palestinian leadership in the city.

For the Palestine Liberation Organization (PLO) however, it is becoming an increasingly necessary myth. The growing impatience of the more extreme faction within the PLO prompted Mr Yasser Arafat, the organization's chairman, to promise last night that the ceasefire in southern Lebanon would continue.

But at least two wings of the PLO, the Popular Front for the Liberation of Palestine — are arguing that the truce makes a mockery of Mr Arafat's assertion that the PLO is always ready to help its people in Israeli-occupied territories.

As the deputy commander of the Palestinian guerrillas in southern Lebanon has put it: "We have to fight for our people on the West Bank. Otherwise, how can we justify having all these weapons here? We don't want any more communiques of support or solidarity or the sympathy of other Arab states."

Outburst at cartoonist's evidence

From Moshe Brilliant, Tel Aviv, March 30

Mr Ranan Lurie, the political cartoonist of The Times, said yesterday that the Israeli Cabinet Secretary had told him Mr Menachem Begin, the Prime Minister, was on the "verge of senility".

Under cross examination before a civil service disciplinary tribunal in Jerusalem, Mr Lurie said that Mr Arye Naor, had also told him before his scheduled interview with Mr Begin, in 1980, that the Prime Minister was unable to function properly because he was on drugs and medication.

Mr Naor had also advised him to bring a photographer to take a picture of Mr Begin falling asleep during the interview, as he was bound to do, Mr Lurie said.

Mr Naor, seated beside his lawyer, exclaimed: "He's not a liar. He is a contemptible liar."

The chairman of the tribunal cut off Mr Lurie, asking "is this necessary for the hearing?" Mr Y Benish, the defense council, stopped the questioning. Mr Lurie was on the stand for 20 hours.

He said Mr Naor, who is being tried for conduct unbecoming a civil servant, had volunteered scoops and other services because he wanted help in finding a foreign newspaper job as he had expected the Likud to lose power.

The pair fell out early last year after Mr Naor wrote to the Jerusalem correspondent of Die Welt, the West German daily, which Mr Lurie had worked, stating that Mr Lurie had solicited a cable protesting that Die Welt had violated an undertaking to Mr Begin in claiming that his interview with Mr Lurie had been exclusive to the paper.

Mr Lurie claimed the letter was full of lies and was used by Die Welt as a pretext to cancel their contract with him and his right to use their office facilities.

El Salvador election

Right wing to form coalition

From Paul Kilman, San Salvador, March 30

In a move which threatened to polarize even further the tumultuous political situation in El Salvador, the right-wing parties have announced that they will form a government of national unity.

The five between them won nearly 60 per cent of the vote according to almost one hundred returns from Sunday's constituent assembly elections. The remaining share goes to the Christian Democrats headed by President Jose Napoleon Duarte.

Their joint announcement represented a setback to United States hopes that any government emerging from the vote would have a bias towards the centre and would include if not Senator Duarte, at least representatives of his ideals.

The five right-wing groups declared their intention of forming a government of national unity after a meeting at the residence of Mr Deane Hinton, the United States Ambassador, at which he had tried to impress upon them the need for reconciliation to meet the threat posed by left-wing guerrillas.

The joint declaration attracted support of the Nationalist Republican Alliance (Arena), headed by Major Roberto D'Aubuisson, the National Conciliation Party, led by Senator Raul Molina, and the Democratic Action Party.

The three, which respectively came second, third and fourth in the poll, were joined by two groups which obtained only small shares of the vote: the Popular Orientation Party, led by General José Alberto Medrano, an ageing figure; and the Salvadorean People's Party, headed by Senator Francisco Quinonez.

The parties said that each would retain its separate identity but that together they stood for a "rejection of communism and communism."

Major D'Aubuisson: Vow to pursue vigorous war against guerrillas

Major D'Aubuisson, the third-ranked key figure in the Christian Democratic hierarchy, said:

Should the parties of the right succeed in their plan for a government of national unity, this would be dominated by the "intolerable situation" which has been linked to a number of coup attempts and during his campaign vowed to pursue more vigorously the war against the guerrillas.

The guerrillas, operating under the umbrella of the Farabundo Martí National Liberation Movement, are expected to welcome the latest developments as justifying their arguments that the election was a "farce" which would do nothing to eliminate the inequalities and brutalities of Salvadorean society.

Washington: The Reagan Administration's unexpected delight at the huge turnout in the El Salvador election has given way to a mood of cautious determination to make the result a turning point for United States policy in Central America (Nicholas Ashford writes).

The United States is clearly concerned that the horse-trading between the participants in the poll could result in a coalition in which extreme right-wing parties would have an undue amount of influence. If this happened, there would be a danger that the new regime might discontinue the programme of cautious reform that the Government of President Duarte had attempted to carry out.

Mr Alexander Haig, the Secretary of State, made it clear in a statement yesterday that continued American support would be dependent on the next regime's continuing the process.

Moscow: Tass today dismissed the election in El Salvador as a "triumph of terror" staged by the Reagan Administration. (Michael Binyon writes).

EEC summit



Price protest: British farmers at a meeting in Brussels to press for higher farm prices

Pledge to aid young jobless

From Peter Norman, Brussels, March 30

EEC heads of government today promised to try to end the tragedy of young people in Europe leaving school only to go straight on to the dole.

At the end of their two-day summit meeting in Brussels, the 10 leaders agreed that the member states would strive to ensure over the next five years that all young people entering the labour market for the first time received vocational training or initial work experience as part of special youth schemes or employment.

The pledge followed a lengthy discussion of economic and social conditions in the community in which the heads of government concluded that the fight against unemployment was likely to be insufficient to stop unemployment growing beyond its present level of more than 10 million.

In particular, they agreed that modest economic growth would be inadequate to deal with the "intolerable situation" created by high levels of unemployment among the young.

Mrs Margaret Thatcher said the heads of government agreed that there was "no magic formula" to deal with Europe's economic problems. The EEC could be a real advantage in promoting economic recovery.

Mrs Thatcher said a greater liberalization of services such as insurance and air transport in the EEC could help to create jobs. The leaders also vowed to press ahead with promoting high

technology industries at Community level.

But the two-day summit meeting did not consider Europe's economic problems in isolation. It was the last time the leaders of the ten will meet before the next world economic summit at Versailles in June, and international economic policy played a leading role in the discussions.

In sketching out their hopes for Versailles, they called for increased cooperation between the important industrial nations of the world, aimed notably at encouraging a reduction in interest rates and making exchange rate movements less volatile.

Japan was urged to open its markets more to imported goods, while the leaders called for a strengthening of relations between the rich northern industrial countries of the world and the poor developing nations.

But with the world economic summit still two-and-a-half months away, they were careful not to adopt too stern or specify a negotiating posture.

Providing the United States, Japan and Canada agree, the Community is likely to be more strongly represented at Versailles than at any previous summit. It was agreed that the smaller member states should be represented by both M Gaton Thörn, the president of the European Commission, and the head of Government of the country holding the EEC's six months rotating presidency.

Relations between East and West were the predominant topic and the Community — once more complained in a final statement that events in Poland for which the Soviet Union "bore a clear responsibility" had placed a strain on relationships.

The statement opened the way for further consultation within the Organization for Economic Cooperation and Development of plans to limit further credit facilities for the Soviet Union. It also looked forward to a fruitful resumption in November of the Madrid conference on security and cooperation in Europe.

There was also a strong protest at the "negative attitude of the Soviet Union" on Afghanistan. "I am very anxious that Afghanistan should not be forgotten," Mrs Thatcher said.

There was tough wording, too, in the denunciation of measures taken by Israel in "the violations of the liberties and rights of the inhabitants" of the Golan Heights as well as over the dismissal of "the democratically elected mayors."

Strains in Soviet block links

From Ian Murray, Brussels, March 30

The summit laid considerable emphasis on foreign affairs and a good deal of study had been done on those areas which the EEC now takes a growing interest in influencing.

Relations between East and West were the predominant topic and the Community — once more complained in a final statement that events in Poland for which the Soviet Union "bore a clear responsibility" had placed a strain on relationships.

The statement opened the way for further consultation within the Organization for Economic Cooperation and Development of plans to limit further credit facilities for the Soviet Union. It also looked forward to a fruitful resumption in November of the Madrid conference on security and cooperation in Europe.

There was also a strong protest at the "negative attitude of the Soviet Union" on Afghanistan. "I am very anxious that Afghanistan should not be forgotten," Mrs Thatcher said.

There was tough wording, too, in the denunciation of measures taken by Israel in "the violations of the liberties and rights of the inhabitants" of the Golan Heights as well as over the dismissal of "the democratically elected mayors."

Gandhi in squabble with widow of Sanjay

From Kuldip Nayyar, Delhi, March 30

Mrs Maneka Gandhi, widow of Mrs Indira Gandhi's son Sanjay, said today that she had no immediate plans to enter politics and was willing to return to her mother-in-law's house "if she wants me back".

Last night Mrs Maneka Gandhi left the Prime Minister's residence with her two-year-old son Varun after Mrs Gandhi objected to her using the house to "carry on political activities" opposed to her and the Congress (I) Party.

Mrs Gandhi was irritated by Mrs Maneka Gandhi's participation in a convention in Lucknow to re-annunciate Sanjay Gandhi's programme. On her return from London, Mrs Gandhi had characterized the convention as "anti-party activity" encouraged by the press and the opposition Janata Party.

Mrs Maneka Gandhi denied the charge of joining hands with the Opposition at the Lucknow convention and reiterated the same sentiments today. She said it was all a result of a "large misunderstanding".

If she (Mrs Gandhi) wants me back, I will go back. I cannot return voluntarily, as I did not leave voluntarily. She said there was a "slight dispute" over the custody of Varun (Mrs Gandhi sent for some time).

Few people called on Mrs Maneka Gandhi today at a motel where she has been staying since last night. Congress (I) party men, and Sanjay men have stayed away because the party leaders, including Mr Rajiv Gandhi's son, are saying openly that what Mrs Maneka Gandhi is doing is against the interests of the party and the Prime Minister.

Only Mr Akbar Ahmed, an Uttar Pradesh legislature member, who was a close friend of Sanjay Gandhi, openly stands with Mrs Maneka Gandhi, but he has been suspended from the Congress (I) Party as an example to others.

Other prominent associates of Sanjay Gandhi, such as Mr Kamal Nath and Mr Jagdish Tytler, both members of the federal Parliament, have not only left her, but have also issued separate statements to condemn the Lucknow convention.

Some act of defiance by Mrs Maneka Gandhi was on the cards. She could not be expected to be in sackcloth and ashes for the rest of her life, being only 25. After being in the limelight during Sanjay Gandhi's lifetime, she could not have accepted the oblivion to which she had been consigned.



Mrs Maneka Gandhi: A "misunderstanding"

Poland warms to E Germany

Berlin, March 30. — Poland and East Germany have agreed to build up industrial cooperation to fight Western sanctions against the Warsaw military regime and to overcome the mutual difficulties caused by Poland's economic troubles.

A communique issued today simultaneously in Warsaw and East Berlin after the visit here yesterday of General Wojciech Jaruzelski, the Polish leader, for talks with Herr Erich Honecker, the East German leader, said long-term needs had to be assured.

This referred particularly to fuel, raw materials, chemical products, machinery, electrical and electronic equipment and consumer goods, the joint communique said.

"The solution of the most urgent economic problems in both countries and the political sanctions applied by capitalist states required more efficient and planned use of the two states' industrial capabilities to mutual advantage", it said.

The communique called on the Polish people to forget the mistakes of the past and fight against "destructive, anti-socialist activities", in order to build a secure future and a strong state.

Both countries called for support for President Brezhnev's proposal for a moratorium on the introduction of medium range nuclear missiles in Europe and said it

demanded a positive response from the West.

WARSAW: The underground bulletin of the Warsaw branch of Solidarity, the free trade union, has printed a new appeal by Zbigniew Bujak the Council leader, for concerted action to save the union from extinction.

"The future of the trade union movement is at stake today. The present time will show whether it will remain independent of its free will" Mr Bujak said.

He called on members to continue resistance to martial law and bombard the authorities with requests for the restoration of the suspended union and the release of its interned leaders.

IBA

Appointment of Contractor for the Radio News and Information Service based in London

Applications for the contract to provide the Independent Local Radio News and Information service in London including the national and international news service supplied to all ILR companies — are invited by the Independent Broadcasting Authority.

Under the terms of the Broadcasting Act 1981, the IBA is re-advertising the specialist news and information franchise within eleven years of the introduction on October 8th, 1973 of the service provided for listeners by the London Broadcasting Company (LBC). LBC's subsidiary company, Independent Radio News (IRN), provides national and international news to all Independent Local Radio companies, and the franchise now offered is for the supply of a news service to ILR generally as well as for the provision of news to London.

A document containing particulars, including a coverage map and details of the information required from applicants may be obtained on written request from the Secretary to the Independent Broadcasting Authority, 70 Brompton Road, London, SW3 5EY. The contract from October 1983 will be subject to a statutory maximum of eight years, at which point the franchise must, under the terms of the Broadcasting Act 1981, be re-advertised again.

Applications should reach the Secretary to the Authority not later than noon on Thursday 24th June 1982. The Authority aims to award and announce the offer of contract from October 1983 during the autumn of this year.

Information Office IBA Tel: 01-584-7011 Ext. 446.

Iraq forced into humiliating retreat by Iran

By Henry Stanhope, Defence Correspondent

Iraq's military command is withdrawing its 4th Army from positions on the Gulf war front after what looks like a humiliating reverse at the hands of Iranian forces. President Saddam Hussein was quoted by the official news agency in Baghdad yesterday as explaining to the Army that it had been decided to regroup them in the rear "after your blows absorbed the advance of the enemy attack."

They were not to feel bitterness for the lands they were abandoning voluntarily, according to the Iraqi leader, whose call for a ceasefire earlier this week had been rejected by the increasingly confident government in Tehran. The Iraqi withdrawal follows what Western intelligence sources have described as significant Iranian successes on the Shush-Dezful front.

Tehran radio yesterday was claiming that Iranian troops had smashed three Iraqi divisions and recaptured 800 square miles of territory. About 15,000 Iraqi soldiers had been taken prisoner in the offensive which began eight days ago and was said to be the biggest military advance in the 18-month Gulf war.

hundred tanks and armoured troop carriers and 165 artillery pieces had been destroyed or captured as well as surface-to-air and surface-to-surface missiles. The Abu Qarib oil wells, claimed by the radio to be the most important in Khuzestan, were also now back in Iranian hands.

Yesterday's developments, which coincided with a visit to Baghdad by King Hussein

of Eym Khowsh, to the north of the salient, and the Rejabeyeh Pass to the south of it. Rough terrain between would make it difficult for them to close the jaws of the pincers on the 25,000 Iraqis who were dug in on the threshold of the Iranian stronghold.

Even before yesterday's admission from Baghdad, intelligence reports were circulating in the West that Iraqi troops were filtering back through the gap to avoid becoming trapped.

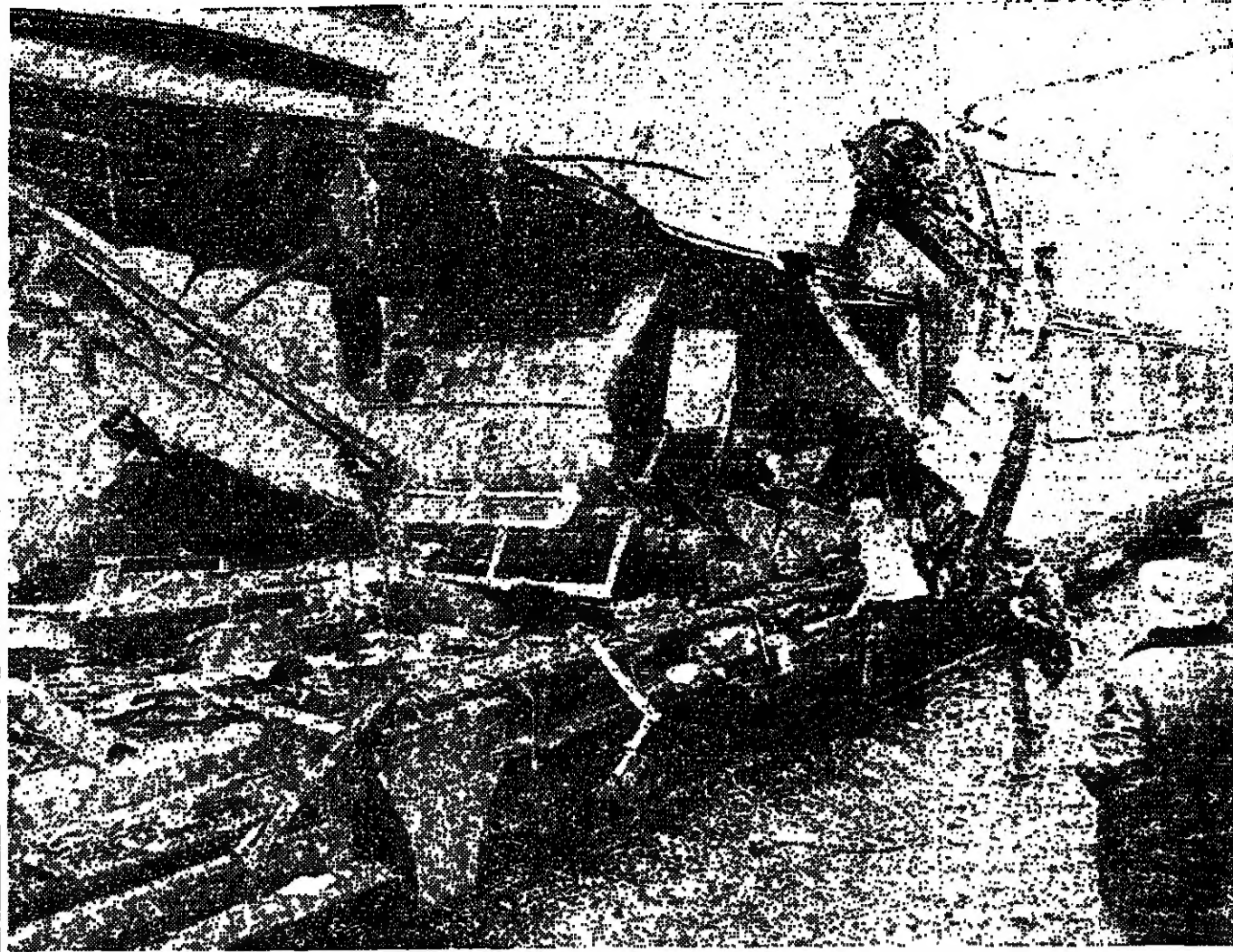
The latest Iranian successes follow similar counter-offensives last year in which they pushed back the Iraqis in the area round Susangerd, and lifted the near-siege of Abadan. Although Iraqis still shell Abadan in desultory fashion, the Iranian shells falling on Basra are said to be more damaging.

Western intelligence observed the Iranian build-up on the Dezful-Shush some time ago and expected the offensive to start in February. But the Iraqis also read the signs correctly and launched a spoiling action of their own which forced the Iraqis to delay.

Three Iranian divisions, the 7th and 92nd Armoured, are understood to have led the Iranian assault, with a number of independent brigades making up a total of four division equivalents.

Revolutionary Guards are thought to have attacked in combination with the Army, the regular armoured units protecting their flanks in classic Islamic fashion as they advanced towards the Iraqi positions.

Although analysts have



Shattered wreckage: The coach of the Capote express destroyed by an explosion outside Limoges.

French train blast baffles police

Limoges, March 30. — Police said today that last night's explosion on the Capote express train which killed five people and injured 28 was caused by a package of explosives on a luggage rack. But they said it was not clear whether it was a bomb attack or whether explosives being transported by terrorists had gone off accidentally.

The explosion happened seven minutes before the Paris-Toulouse express with 300 people on board was due in Limoges when the train was travelling at about 90 miles an hour. The train stayed on the tracks but the explosion blew out the end of a coach, hurling two bodies into a field.

Rescuers used cutting equipment to free the injured from the wreckage and said the bodies of the dead, including a child, were badly mutilated.

One of those killed was Mme Marie-Claire Bardon, sister of M Jean Pierre Fourcade, the former Finance Minister. — Reuters.

Paris: Before the arrival of rescue teams and police, passengers volunteered to assist the wounded. But there was no first aid kit on board and a doctor and nurse had to use whisky from the bar to disinfect wounds. (Charles Hargrove writes). The train, which had been towed into the station of Ambazac, where investigators began

examining the damaged coach, was allowed to proceed two hours later.

A young woman passenger reported to the police that she had observed the strange comings and goings of a young man. (An eyewitness said in a television interview that the explosion occurred after an argument between two passengers over a briefcase.)

No one has claimed responsibility for the explosion. At the beginning of this month he delivered an "ultimatum" to the French Government demanding the liberation of two of his "friends", a German and a Swiss who were arrested last February in Paris and suspected of being members of the Baader-Meinhof gang.

Transport, went to Limoges this morning to visit the wounded on behalf of the government, and confer with the police. He said it was far too soon to hazard any theories on the causes of the explosion.

Police are checking for connections with international terrorists such as Illich Ramirez Sanchez, known as "Carlos", who is wanted in several countries. At the beginning of this month he delivered an "ultimatum" to the French Government demanding the liberation of two of his "friends", a German and a Swiss who were arrested last February in Paris and suspected of being members of the Baader-Meinhof gang.



of Jordan, President Hussein's most loyal Arab ally during the war, are supported to a large extent by Western intelligence. There was scepticism last night about the casualties the Iraqis are said to have suffered, but the Iranian estimates of the land captured and the significance of their victory has been broadly confirmed.

According to intelligence assessments, 40,000 Iranian regulars, as well as an unknown number of revolutionary guards, have been fighting for more than a week to work a pincer movement on the Iraq forces facing the city of Dezful.

The Iraqis were said to have reached the small town

been impressed by the Iranian capacity to dislodge the Iraqis, they remain sceptical of Iran's chances of advancing much further.

Ideally the Iraqis would like to capture a small portion of Iraqi territory to increase the domestic pressures upon President Hussein. Meanwhile, success has made the Tehran authorities more unwilling to accept a compromise peace package.

Sources point to the restrained way in which the Iraqis have announced this latest success, in contrast to the extravagant claims they made after earlier defeats. That in itself, they point out, is an indication of their growing confidence.

Weinberger promises to modernize Seoul army

Seoul, March 30. — Mr Caspar Weinberger, the United States Defence Secretary, today announced moves to modernize both the American forces in South Korea and the South Korean Army.

He made the announcement at the opening of a two-day meeting here to review what is regarded as the North Korean threat to the South and the two countries' military strength.

He said that in the mid-1980s more advanced States M60 tanks would replace about 100 M48 tanks now in use. The M48s would be offered for sale to South Korea under an American military aid programme.

He was taking part later in a ceremony dedicating facilities at Suwon air base, south of Seoul, built by South Korea for the new A10 attack aircraft the United States is deploying there.

Mr Choo Young-bok, the South Korean Defence Minister, sought lower United States interest rates than the current 14.5 per cent on loans to buy American arms.

Mr Weinberger said he would recommend a lower rate to the United States Treasury. The Adminis-

tration has proposed loans for arms to South Korea for next year totalling \$122m (£11.5m).

The modernization of the 40,000-strong United States force in South Korea and South Korea's armed forces of 600,000 men is part of the joint effort to counter what Mr Weinberger sees as the continued military build-up in North Korea as well as in Soviet Far East forces.

In addition to the 24 A10 Thunderbolt attack aircraft, the United States Air Force is to replace its F4 fighter aircraft with the more advanced F15s.

Mr Weinberger said that the United States and South Korea "are close friends and in a fight we will combine our efforts".

He also delivered a letter by President Reagan to "President Chun Doo-hwan of South Korea, which, according to a Korean presidential spokesman reaffirmed the United States commitment to South Korea's defence.

Mr Weinberger leaves on Thursday for the Philippines for talks with President Marcos. He returns to Washington on April 4. — Reuters.

Botha calls congress to restore party unity

From Michael Hornsby, Johannesburg, March 30

A rare federal congress of the ruling National Party has been summoned to meet in Bloemfontein, the capital of the Orange Free State, on July 30 and 31 by Mr P. W. Botha, the South African Prime Minister.

It is seen here as an attempt to restore party unity after the ructions caused by the right-wing breakaway of Dr Andries Treurnicht, and to prepare the ground for the acceptance of new constitutional proposals.

There have not been more than half a dozen such congresses since the National Party was founded in 1914. The last being held in 1968 to commemorate the party's first 20 years in power.

The main purpose of the Bloemfontein congress, it is believed here, will be to persuade the rank and file of the party to share political power with coloureds (mixed race) and Indians in line with proposals expected to be announced in May by the President's Council, an advisory body on constitutional matters set up in 1980.

"Power-sharing" was the issue which led to the revolt, and subsequent expulsion from the NP, of Dr Treurnicht and 15 other right-wing MPs earlier this month.

Mr Botha evidently hopes to preempt any moves by the provincial congress of the Transvaal NP, of which Dr Treurnicht was chairman until his expulsion, to torpedo the "power-sharing" proposals.

The NP is made up of four largely autonomous provincial parties in: Transvaal, Orange Free State, Natal and the Cape. They all hold annual provincial congresses, which this year are due to take place in August and September.

Decisions taken by the federal congress are not binding on the provincial congresses, but they exert powerful pressure, and there is no precedent for their being overruled.

As leader of the NP in the Cape, Mr Botha's control of the party, in a country where regional rivalries remain bitter, depends on his holding together a coalition of support against the dominant and conservative Transvaal.

If the President's Council's proposals go further than existing party policy, Dr Botha, has hinted that he might call a national referendum in the (probably justified) belief that a majority of white voters would support him.

West tries again on Namibia

By David Cross

The five Western nations which are trying to secure an independent Namibia are to launch a fresh initiative after this week to overcome black African opposition to their plans for elections to a constituent assembly.

A delegation led by Mr Chester Crocker, the American Assistant Secretary of State for African Affairs, and M Jean Aussel, his counterpart at the French Foreign Ministry, is to meet Mr Sam Nujoma, head of the South West Africa People's Organisation (Swapo), and representatives of black African front-line states in Luanda, the Angolan capital. The five will present a revised series of proposals on how the proposed elections should be conducted.

According to sources in Whitehall, the refinements will seek to meet Swapo and black African concern that earlier proposals for elections were too complicated for ordinary Namibians. The basic system, which involves giving each Namibian two votes — one for a single member constituency and the other for proportional representation — remains unchanged.

The five have rejected any modification or fear of "alienating" the South African Government, which is likely to reject any election system which might lead to an automatic majority of Swapo representatives in a constituent assembly.

The five, who also include Britain, West Germany and Canada, are anxious that progress should be made on elections because this is holding up final agreement on the first phase of the plan. Only when it is resolved can talks begin in earnest on the second phase of the plan.

The delicacy of the process has been highlighted in the United Nations with the appointment of a new commissioner for Namibia. To the dismay of the five, Mr Brahaj Mishra, an Indian diplomat who has been strongly anti-Western on Third World issues. The five fear that the South Africans may use Mr Mishra's appointment as an excuse for delaying progress towards Namibian independence.

NEWS IN SUMMARY

Paratroops jailed for killing

Foix, Southwest France. — Three British paratroops were each sentenced to five years' imprisonment, one year suspended, after being found guilty with extenuating circumstances of killing an Algerian-born Frenchman during what their defence lawyer called "a night of madness".

Peter Doswell, aged 26, from Southend, Gerald Lamb, aged 24, from Leeds, and John Macmillan, aged 24, from Macclesfield, were training with a French regiment last October at Pamiers, near here. They were charged with beating M Schick Djelbi, aged 29, to death after a night out in Pamiers' red-light district.

The paratroops said M Djelbi offered to take them to a discotheque, but they thought he tried to make fun of them, and instead led them to a brothel. There was a fight, in which M Djelbi was killed.

Plan to rescue Danish papers

Copenhagen. — The Berlingske newspaper publishers announced a plan to save Berlingske Tidende, the conservative newspaper founded in 1749 (Christopher Follett writes).

The financial reconstruction plan for the Berlingske group, which also includes a popular daily tabloid, a serious weekly journal, two weekly glossy magazines, two provincial newspapers, calls for 150m kroner (£10.6m) in fresh equity capital. If it is not raised by mid-April, the newspapers are to be closed.

Malta boycott MPs warned

Valletta. — Dr Daniel Micallef, the Speaker of Malta's House of Representatives, warned Nationalist Party members that they could lose their seats unless they ended a boycott of sittings in protest against the last elections.

He gave them until April 26 to attend Parliament, which reopened six weeks ago. The Nationalists' 114,163 votes at the election gave them 31 seats in the House whereas the Malta Labour Party's 109,990 votes won 34 seats. They claim boundaries were redrawn in Labour's favour.

Typhoon's toll

Manila. — President Marcos declared a state of calamity in six central Philippines provinces hit by the off-shore typhoon Nelson over the weekend. It is estimated that 50 people died and 27,000 were left homeless. About 300,000 are in need of relief.

US nuclear freeze movement

Growing protest confronts Reagan

From Nicholas Ashford Washington, March 30

In the 1960s there was the civil rights movement. Then in the 1970s came affirmative action and the environmentalists. Now the nuclear arms race looks like becoming a central political issue during the first half of the 1980s.

Support for a nuclear weapons freeze has mushroomed like an atomic cloud during the past three months. In California more than half a million people have signed a petition calling for a bilateral nuclear freeze. About 240 New England towns meetings have endorsed nuclear freeze motions this year.

In Indianapolis a church group is withholding the 2 per cent federal excise tax on its telephone bill in protest against the nuclear arms race.

According to a poll published by Newsweek magazine, 54 per cent of people questioned favoured a freeze, compared with 29 per cent who were against. Thirty-two per cent felt the Reagan Administration's policies were increasing the risk of nuclear war, compared with 21 per cent who felt they were making a nuclear conflict less likely.

In Congress lines are being drawn between those who favour a bilateral freeze at present weapons levels and those who support the Administration's approach of negotiating arms reductions with the Russians from a position of strength.

A motion drawn up earlier this month by Senator



Senator Kennedy: Wants comprehensive freeze.



Senator Jackson: Opts for long-term approach.

Edward Kennedy and Senator Mark Hatfield calling for a comprehensive nuclear weapons freeze by the two superpowers has already won the support of 23 senators and about 150 representatives. A Kennedy aide said it was hoped there would eventually be sufficient support in Congress to put a freeze resolution to the vote.

In an attempt to head off support for the Kennedy-Hatfield motion an alternative resolution has been drawn up by Senator Henry Jackson and Senator John Warner calling for the Administration to propose to the Soviet Union a long term, mutual and verifiable nuclear freeze at equal and sharply reduced levels of forces.

By placing emphasis on long-term reductions the

Jackson-Warner proposal is intended to allow the Administration time to build up America's nuclear forces so that it can talk to the Soviet Union from a position of strength.

That President Reagan is expected later this week to announce his endorsement of negotiations for a gradual reduction in nuclear weapons is a sign of how seriously the Administration is taking the nuclear freeze movement.

Some observers believe the nuclear arms race could become a major issue in the November Congressional elections and could serve to increase the growing disillusionment with the Administration's programme.

"The strength of the nuclear freeze campaign is the variety and the broad base of its support," says Ms

Barbara Roche, co-director of the national clearing house for the Nuclear Weapons Freeze Campaign. She points out that advocates of a bilateral freeze include not just pacifist and left-wing groups, but also a number of conservatively-inclined professional and church bodies.

Among those supporting a freeze are a former assistant director of the Strategic Arms Control and Disarmament Agency, a negotiator in the second round of the strategic arms limitation talks (Salt 2) and a former deputy director of the Central Intelligence Agency.

Perhaps more important than the numbers involved is the publicity that the freeze movement is getting. It has been the subject of television documentaries and recently was the cover story in Time magazine.

Public attention will again be focused on the dangers of nuclear war during what is known as Ground Zero Week, which is to take place throughout the country next month.

Ground Zero is an organization set up in 1980 by Mr Roger Molander, a former nuclear strategist with the National Security Council.

Mr Molander says he first started worrying about the possibility of a nuclear conflict after hearing an Air Force colonel lecture him about how the United States should have "nuked" the Soviet Union in the 1940s before they got the bomb.

"If Salt would go away we would have the capability to nuke them again," he was told.

Turkish pledge on rights

Ankara, March 30. — General elections in Turkey will take place in 1984 as scheduled, after a constitutional referendum this autumn, the chairman of the Consultative Assembly said today. Professor Orhan Aldikacti said today.

All basic freedoms as defined by the 1989 Declaration of the Rights of Man and the charters of the United Nations and the Council of Europe would be guaranteed by the new constitution, Professor Aldikacti said.

"Basic freedoms are irreversible and the fact that they are temporarily suspended does not mean that we can indefinitely go back on them," he said.

Turkey has been accused of human rights violations ever since the military coup in September 1980, which introduced martial law and suspended a number of basic rights and freedoms.

The main points of the new constitution had been drawn up already, he said. He was against presidential systems which led to a succession of coups such as in Latin America, or to wars such as the one in Vietnam by the decision of a single president (John F Kennedy). — AFP.

The confrontation between Mr Bulent Ecevit, the former Prime Minister, and Turkey's rulers continued today when Mr Ecevit appeared before the military prosecutor for the second time this month (Razic Gurdik writes).

The reason for the summons was an alleged signed article which had appeared in the West German magazine Der Spiegel in contravention of a ban on political statements by former politicians. Mr Ecevit declined to comment.

Cantonese may topple English

From Richard Hughes, Hongkong, March 30

An international panel of educational authorities who have been studying Hongkong's teaching system for six months have recommended that Chinese should replace English as the mother tongue in the early years of schooling here.

The educationists came from Britain, Australia, Malaysia, Singapore, Denmark, Canada and Japan.

Mr Kenneth Topley, the Hongkong Secretary for Education, expressed doubts, however, about forcing all

pupils to use the mother tongue for the basic years of education. It would be Cantonese and not Mandarin in any case. "I see some dangers in imposing the switch as a matter of policy," he said.

Mr Colwyn Haye, the Director of Education, also sounded a warning against "any rush into hasty decisions".

Professor Ungku Aziz, of the University of Malaya, pointed out that Malay was used as the medium of instruction in his country from kindergarten to univer-

sity level. But he wondered whether the people of Hongkong would think they could achieve academic excellence if Cantonese was used as the medium of instruction.

Mr Ernest Goldschmidt, Under-Secretary in the Danish Ministry of Education, said that to use English as a medium of instruction and certainly not before the pupils have mastered their own mother tongue. In Denmark children are not taught English until they are about 11 years old.

Letter from Accra

Anyone for tennis, peradventure?

The crackle of automatic rifle fire made me turn round sharply as I walked along the pavement away from the telecommunications headquarters. It came from some soldiers guarding the building, who were firing into the air in a gesture apparently designed to keep citizens on their toes.

It was a few weeks after Flight Lieutenant Jerry Rawlings' coup, and continuing my walk in a nonchalant manner as I could muster I came upon a white-robed Ghanaian priest standing outside an imposing church and gaining calmly towards the source of the shooting.

Wishing to engage such a reassuring figure in conversation, I asked him if this was the Roman Catholic cathedral. "No," he replied gravely. "We are Anglicans. You will find the Roman Catholics next to the lunatic asylum."

This was no counter-ecumenical jibe, for in Accra the Anglican is a principal landmark which gives its name to a whole district of the city, and is known to everybody as "Asylum Down".

Wherever English is spoken people have tossed aside any notion that there is a correct way to use it, and Ghana is no exception. Under the new regime the language of revolution has invaded the vocabulary — "people's defence committees" gain increasing sway over official and commercial life and business is threatened with "unprecedented revolutionary justice" — but Ghanaians cling to many of their traditional, colourful, English usages.

In ordinary conversation, particular Ghanaian use of words probably stems from a mixture of retained archaic terms dating from the influence of missionary education, literal translation from local languages and sheer inventiveness. Where else in the English-speaking world will you still

hear the word "peradventure", meaning "perhaps", used in current speech?

"Esquire" as a polite means of direct address survives, and travelling on a bus your neighbour might lean over and say: "Esquire, could I borrow your newspaper?"

Whereas many English speakers' punctuation, their speech with all manner of superfluous expletives, Ghanaians fill in the gaps with the phrase "this thing", more usually abbreviated to "disting". This can mean almost anything and has far wider applications than "thingamajig".

Some expressions have a biblical ring. Of a pregnant woman it can be said that "she has taken seed", while others perhaps derive from local custom in which chiefs are entooled, or if they lose their people's confidence, are destooled. A government official who is at his desk in his office is described as being "on seat".

Terms used to describe clothing can also confuse. "Dresses" refer to a man's clothes rather than a woman's and "knicker" (usually singular) means a man's pair of shorts.

In Nigeria, oddly enough, knickers retain their British-English connotation of undergarments, and in Lagos I have heard a brassiere described as "knickers for up".

But Nigeria's English is altogether another matter, and in any case, I hope you will not get me wrong if I say that the hour has come when I should no longer be on seat, but should close, change my dresses, put on my knicker, and take some exercise in the game of tennis, or disting peradventure?

Godfrey Morrison

Handwritten text in Arabic script: "سنة من العمل"

Science

The costs go higher and higher

The space shuttle's third orbital flight, also its longest, is intended to be followed by two further test flights before this first reusable space transportation system becomes fully operational early next year. Thereafter the shuttle programme is to gather momentum with five flights scheduled for 1985, ten in 1984 and 13 in 1985.

To accomplish this programme three further Orbiters will join the shuttle fleet. Then the shuttle will be ready to become the Weir's principal space launcher.

Ironically the high cost of developing the shuttle (\$15,000m to date, and currently taking more than 50 per cent of the Nasa budget) is seriously restricting payload development. The 34 launches scheduled for 1983-85 is already 14 fewer than planned two or three years ago and even some of these may not occur.

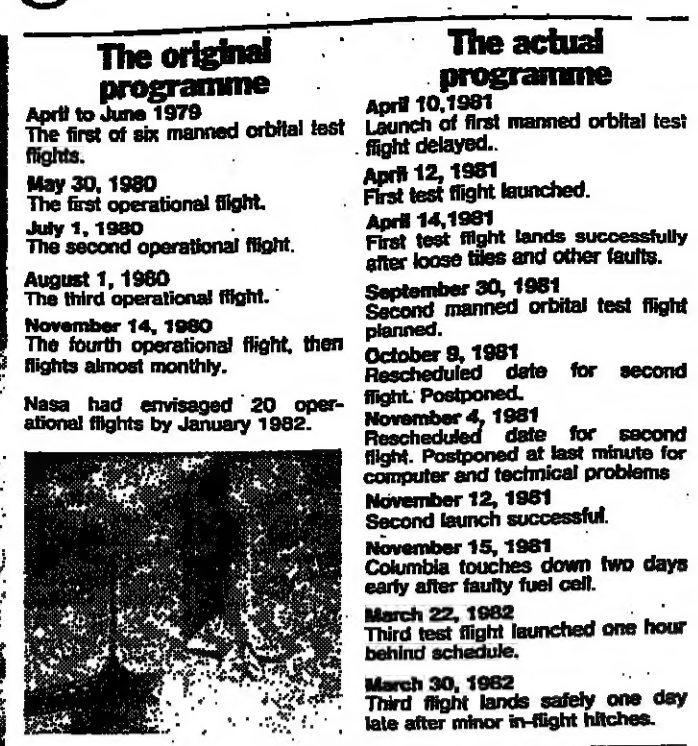
Examination of the planned payloads for the first 34 flights shows them to be spread almost equally between commercial launches — mainly of telecommunications satellites — space science payloads and military missions. The shuttle's payload capacity is impressive, ranging from 27 tonnes into a low (160 miles) 28 degrees inclination orbit to 15 tonnes into a low polar orbit.

Competition for the shuttle will come from several launchers of the expendable type, principally the US Delta and the larger European Ariane.

For a wide range of space science experiments, however, which are mainly satisfied by low orbits, the shuttle is likely to dominate the field. This latest flight of Columbia carried the first simple experiments in solar physics, biology and a micro-meteorite detector from the University of Kent.

The immense payload of

Why should the shuttle keep blasting off?



The costs go higher and higher

The space shuttle's third orbital flight, also its longest, is intended to be followed by two further test flights before this first reusable space transportation system becomes fully operational early next year. Thereafter the shuttle programme is to be carried out with four flights scheduled for 1983, ten in 1984 and 13 in 1985.

To accomplish this programme three further Orbiters will join the shuttle fleet. Then the shuttle will be ready to become the West's principal space launcher.

It is only the high cost of developing the shuttle (\$15,000m to date, and currently taking more than 50 per cent of the Nasa budget) is seriously restricting payload development. The 34 launches scheduled for 1983-85 is already 14 fewer than the programme of 1970-72, and even some of these may not occur.

Examination of the planned payloads for the first 24 flights shows them to be spread almost equally between commercial launchings, mainly of telecommunications satellites, space science payloads and military missions. The shuttle's payload capacity is impressive, ranging from 27 tonnes into a low (160 miles) 28 degree inclination orbit to 10 tonnes into a low polar orbit.

Competition for the shuttle will come from several launchers of the expendable type, principally the US Delta and the larger European Ariane.

For a wide range of space science experiments, however, which are mainly satisfied by low orbits, the shuttle is likely to dominate the field. This latest flight of Columbia carried the first simple experiments in solar physics, biology and materials science, and a mass spectrometer detector from the University of Kent.

The immense payload of

The shuttle will be enhanced this autumn, 1983, with a laboratory, offered by the European Space Lab, which will provide working conditions similar to those on the ground. This will fit snugly into the Orbiter cargo bay and will provide extra space to a much wider community than ever before. The presence on board the shuttle of specialists, trained to operate and repair experiments in flight, 'strengthens the payload'.

Relocation of the shuttle says however, develop rather slowly. The main reason is economic. The cost of the first operational shuttle launches will be about \$35m, but this is expected to rise to about \$100m by 1986.

There is also a limit on where there is limited traffic, such as that over the Pole, which will represent an expensive launch for each of, say, three or four major experiments on board.

Where the shuttle is likely to be heavily in its unique capability to rendezvous with an unmanned satellite to carry out essential modifications or even to collect a spacecraft and bring it back to earth for a major service: for example, the joint US-European space telescope due for launch in 1985.

This exciting astronomy mission will carry into space a large optical telescope capable of detecting stars and distant galaxies more than 50 times fainter than the limit of present ground-based telescopes.

An essential feature of this complex and expensive mission (\$600m Nasa plus \$150m European space administration) will be the regular servicing visits of the shuttle to allow the return of the complete space telescope to earth for mirror polishing, etc, every seven to ten years, ensuring a working life of the telescope into the twenty-first century.

British space scientists will be actively involved in the development of the shuttle programme. Experiments from British universities will be carried on the first two spacelab flights in 1983 and 1984, in 1987 the shuttle will be used to launch the European X-ray astronomy satellite, Rosat, carrying

telescopes from West Germany and Britain.

Alphastar Nasa plans to use the shuttle to establish a permanent presence in space". Whether this will be a large unmanned platform in near-earth orbit or a space operation centre to be used as a parking station for the shuttle and the construction of larger payload, will depend on the level of public and political support.

Ken Pounds

The author is Professor of Space Physics at Leicester University and team leader for the British telescope on the Rosat and several other payloads due for launch on the shuttle over the next few years.

Commerce

Ferrying factories to space

The industrialisation of space is the long-term commercial objective of the shuttle. It will ferry workers and materials into orbit, to build and maintain gravity-free factories and giant solar power stations.

The space factories will produce ultra-pure substances, from pharmaceuticals to new alloys and crystals for the electronic industry, which can be made only in weightless conditions. The power stations, with solar panels hundreds of kilometres across, will send energy back to Earth as intense microwave beams.

But those are visions of the 21st century. For the remainder of this one, the shuttle's main commercial application will be to launch satellites.

Up to 65,000lb of payload can be carried in the shuttle's cargo bay. Consignment can range from a single large item, like the flying laboratory, Spacelab, which has been developed by the European Space Agency for use by international teams of scientists, to a variety of small packages.

For a deposit of \$500 a space can be reserved. The

price for a 601b package is \$3,000, for 1001b \$5,000, and for a 2001b package \$10,000.

Nearly 200 individuals and groups from small businesses, universities and high school student have booked space. Nasa is having difficulty in filling its payload bay for the flight programme planned after next year. So potential customers are encouraged to reserve their space even if they have no firm plans on what a payload may contain.

On present trends, the non-Communist world is likely to pay at least \$3,000m to launch 150 satellites over the next decade. Most of them will be for communications of one sort or another, from international telephony to direct television broadcasting to military communications.

A smaller number will be observation craft, including weather satellites and of course spy satellites.

As a satellite launcher, the shuttle faces immediate competition both within the National Aeronautics and Space Administration (Nasa)

The comp

Commercial competition from Europe's Ariane

and from the European Space Agency (ESA). Nasa has two tried and tested conventional rockets, Delta and the more powerful Atlas-Centaur. The Europeans have Ariane, developed over the past eight years at a cost of \$1000m — 60 per cent coming from France, 20 per cent from West Germany and only 2.4 per cent from Britain.

Nasa will presumably phase out Delta and Atlas-Centaur during the late 1980s, if the shuttle proves its reliability. Ariane's series of six promotional launches is scheduled to start this summer. Then ESA will hand over its creation to Arianespace, the French-led industrial consortium that will market and produce subsequent launches.

Ariane's order book stands at 27 firm and 15 provisional reservations, and the flight schedule is fully booked into 1994. European officials are most pleased with the launch orders they have won from three American telecommunications companies (GTE,

petitors



The Soviet military opponent: Soyuz-40

Western Union and Southern Pacific Communications).

Arianespace is currently quoting a price around £14m to put a typical communications satellite weighing 1.5 tonnes into a geostationary orbit 36,000km above the Equator. That is the only altitude at which a spacecraft can orbit at the same rate as the Earth rotates about its axis and therefore appear to 'hover' permanently above one place.

The shuttle leaves the satellite in a low orbit, a few hundred kilometres high, and then a small booster rocket is needed to lift the craft to 36,000 km.

Even with the cost of the booster (about £4m) the shuttle is currently a less expensive launch vehicle than Ariane, perhaps 20 per cent cheaper. But Nasa is expected to raise its charges substantially next year under budgetary pressure from Congress.

The development programme for Ariane takes it up to Ariane 4 late in 1985, a version which will be 45 per cent cheaper per kilogram of payload than the current Ariane 1. For the 1990s a returning Ariane capable of returning to Earth like the shuttle is proposed.

By then, other competitors may have emerged. Japan already has a competitor under way for small scientific satellites and is expected to test a heavy satellite launcher within six years.

The Soviet Union has the world's largest rockets, capable of lifting 5 tonnes into geostationary orbit. While they are not commercially available at present, the Russians could be formidable competitors if the political climate changes.

But the shuttle could also be used to get heavy orbit closer to home. A group of Texan businessmen has formed a private international rocket company, Space Services Inc, which plans to provide a regular launching service from the Gulf of Mexico. They will start off by sending up small remote sensing satellites for the oil industry but say they will move on to lift larger craft in to geostationary orbit.

Clive Cookson
Technology Correspondent

Military

Taking out Soviet satellites

The Pentagon in general and the US Air Force in particular have been involved with plans in the shuttle programme almost from the start and now see it as intrinsic to their future plans. The original assessment was that one in four flights would constitute a defence mission, but cuts in the scientific research budget would raise the USAF proportion and there has been speculation that the Pentagon could emerge in the days of the shuttle's mainstay as the shuttle's main American ethics demand total separation between civil and military launches — which will start in 1985 from a new site now being built at Vandenberg air base in California. Military satellites are already being purpose-built for the cargo bay of Columbia and its sister ships which will climb south over the Pacific to place them in polar orbit. Cold war will never be the same again.

It was the Americans who sent Big Bird reconnaissance satellite, for instance, has been designed for transit in the shuttle and will be placed in orbit on a flight from Vandenberg in the next few years' time. The astronauts will simply take up the new theme and bring the old one home again — or, in other words, service it in orbit.

The Soviet Union has a long-term vision of US satellites simply placing Russian satellites out of space if they want to, and returning them back to earth. On the other hand the Russians have demonstrated their own abilities to rendezvous in space and the superpowers could defer any such mischievous interference until building explosive devices to their unnamed craft.

The shuttle's re-usability and cargo capacity are a nature about which it is easy

romanticize. Not all the romanticizing is justified by the facts, and very little of it is comforting.

It was disclosed over a year ago that the shuttle would be used to test aiming and accuracy of one of the kind that would be needed if the United States were to complement putting laser on particle beam weapons into space. Whether such weapons are placed in future satellites or whether the fundamental disadvantages will restrict them to the world of space mythology is still open to doubt.

Few scientists are so sceptical that they doubt whether laser gunships will ever be possible. But they regard the prospect as more distant and their effectiveness more debatable than is often assumed.

On the other hand the Russians have impressed western observers by some of their work with so-called killer satellites — bringing a "killer" to within a quarter of a mile of the target and destroying it with a napalm-like gunship in a conventional explosive.

The shuttle would improve the nation's ability to put these anti-satellites (Asats) into orbit — or to boost them into yet higher trajectory — operating like a guided missile, not just at the end, but returning to earth to reload.

The Outer Space Treaty of 1967 makes it clear that he who interferes with the satellites of another power is violating international law.

The 1972 Anti-Ballistic Missile (ABM) Treaty forbids space-based ABM systems and the United States agreement accompanying it prohibits interference with the superpowers with each other's means of verifying adherence to the terms.

But the development of space weapons has so far been allowed to continue though legal hindrance. The shuttle, on its defence as well as its scientific missions, is hampered. To pretend that it is not is to pretend that the arms spiral in space would be underestimating what is already going on. But it would become part of that spiral and could accelerate its progress.

Henry Stanhope
Defence Correspondent

Military Taking out Soviet satellites

Commerce Ferrying factories to space

The competitors

[illegible]

David Watt examines the growing rift between Britain and Argentina

These paltry islands keeping us apart

Britain's row with the Argentine over the Falkland Islands must be one of the most incongruous and unnecessary international disputes that has ever broken out between states. The territory in question is impoverished and inhospitable; neither country actually needs it for its own strategic purposes (alleged oil treasures are problematical and both Britain and the Argentine are well endowed with energy resources for the time being). Neither country has the slightest reason otherwise to quarrel with the other, and each has indeed every reason to be on excellent terms.

Britain made the largest contribution of any country to the Argentine's development in the nineteenth and early twentieth centuries, and the English visitor to Buenos Aires is constantly touched by legacies of the connection — the English and Scottish family names that crop up so unexpectedly linked to Spanish; the Victorian pillar-boxes (painted, admittedly, a villainous yellow) that adorn the street corners; Sir Thomas Lawrence's debt portfolio; the Duke of Wellington which still looks down its long nose at the Argentinian upper crust from above the fireplace of the Jockey Club.

Altogether, in fact, Buenos Aires is the most European of South American capitals. Because it was too poor to afford slaves in the eighteenth century, and killed off the Indian population in the nineteenth, there is hardly a black or brown face to be seen.

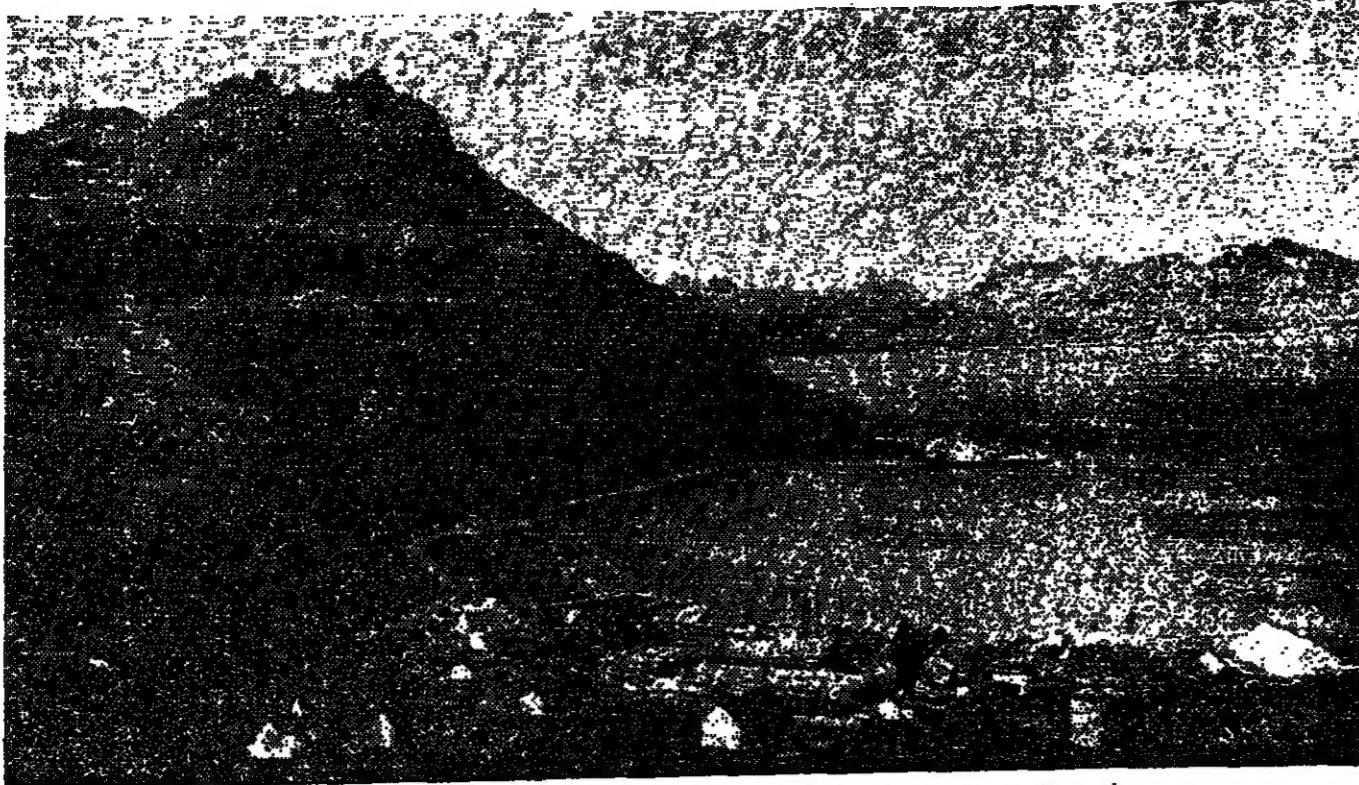
With its theatres and art galleries and belle-epoque buildings and tree-lined streets it exudes an attractive pre-war cosmopolitanism. American culture is nowhere to be seen; and in such a city the British Embassy, a vast Italianate palazzo in magni-

cent grounds, still counts for something.

Moreover, the ruling military junta has far more important things on its mind than the Falklands. At home they are slowly emerging from a five-year nightmare of terrorist violence followed by their own campaign of hideous counter-repression in which several thousands of people disappeared in the clutches of semi-autonomous, but also semi-official, killer squads. The promise returned to democratic government is being made at a painfully slow pace, and real elections still look a long way off, but some effort is being made to give a reckoning of the disappearances and to regularize the status of the 600-plus "disappeared" who are still alive and in custody. The government is also struggling with an economy still suffering from the annual inflation rate of 85 per cent which is the economic consequence of their characteristic political arrangements — wage inflation and Peronist populism and absurdly bloated defence expenditure under the military.

Abroad, their first gaze falls not on the Falklands but on the crisis in Central America to which, like most other Latin American countries, they have extremely complicated reactions. The Argentine government does not like the idea of a marxist "ball" cutting the hemisphere in half — less perhaps because of the possibility of a southward collapse of the dominoes (the great mass of Brazil lies between them and the Caribbean) as because, being right-wing military gentlemen, they disapprove of communism in principle.

On the other hand it suits the Argentine to remain a member of the "non-aligned" group in the UN — a position they share with Fidel Castro.



The point at issue: Grytiken whaling station on the island of South Georgia.

The United States is Argentina's largest trade partner, but the country has cultivated at least a certain distance from the US for many years and has occasionally quarrelled violently with them, as when the Carter administration dropped credits and cut military aid in protest against the Argentinian counter-terror methods.

Moreover, trade with Cuba is considerable, and trade with the Soviet Union very large indeed. Argentinian officials display some slight embarrassment at this last fact, but the Soviet need for grain and meat is insatiable and the fact that Argentina supplies it without any of the difficulties that attend purchases from the US or other Western countries, brings its rewards in the form of Soviet support, or at least neutrality, in the UN when awkward questions of human rights in Argentina are raised.

The Reagan administration is busily wooing the junta, which it sees as a potentially stabilizing factor on the scene, and seems to have established some links and understanding on the private level. But the interesting fact is that neither Argentinian internal politics nor the Argentinian desire to cut a credible figure on the Latin American scene allows the junta to be seen in public as in any way a tool of

American policy. Consequently, if, as has been reported, the Argentinians are selling arms and technical advice to Guatemala and the Duarte government in El Salvador, it is being done very discreetly and is accompanied by loud expressions of desire to deal with the problem by a kind of Latin American consensus.

What such a consensus might mean in practice is almost impossible to say at present, but so far as one can make out from Argentine sources the best that anyone hopes for is that at least the situation in El Salvador can be stabilised by military means now that the elections are over. The Nicaraguan debacle, on the other hand, is regarded as a lost cause which can only be redeemed if Cuba and the United States can be induced to reach some new *modus vivendi* which makes allowance for a left-wing Nicaraguan government.

The big questions are whether either Reagan or Castro are ready to do a deal of any kind, and if so what on earth it would consist of. The Argentinian notion seems to be that if Mexico, Brazil, Venezuela and Argentina (the "big boys" of the region) can bring their combined influence to bear on the parties, some pact on the lines of the *status quo* will emerge.

To the outsider it does not

look terribly plausible, but the whole calculation is another indication of the general realization that US power is not what it was, even in what was formerly considered the American sphere of influence. And as for the Europeans, this realization is accompanied in Latin America by a mixture of muted satisfaction and acute anxiety.

It is a time for hedging one's bets, and the Argentinians are hedging theirs. They are looking to the Russians and Americans with cynicism, and a dislike that varies in kind but not much in degree. They are looking to Europe again — with scepticism and anxiety about the future of the European Community. They are valuing their Third World ties and contacts and above all their newly re-ordered relationship with Brazil.

This convoluted background is important for an understanding of the Falklands issue and how it is seen in Argentina. At the official level the Falklands are clearly regarded as a secondary issue, and at most times it is not permitted to interrupt the regime's desire for European — including British — links. What is the point of quarrelling violently with one's best European contact over a matter on

which Argentina can afford to wait?

On the other hand, the sense of remoteness and alienation, the widespread desire to restore Argentina's pre-war status in Latin America — all these have created a strong popular sense of national pride whose external outlets (apart from football) are minimal. A right-wing military regime is not likely to be proof against the tug of these emotions, and a regime under political and economic pressure is not averse to a little naval diversion.

All this does not make Britain's task in dealing with the Falklands problem any easier in the short run. The Argentine claim is not going to disappear in the long run either. None the less, Argentina gives the impression of a country that has been very short of friendship and of international attention for some time. Certainly British governments have not given a great deal of either for a good many years. If further progress can be made on liberalizing the regime, broad strategic considerations suggest that a serious attempt to improve relations with this most interesting and dynamic country would be well worth the investment.

© Times Newspapers Limited, 1982

New prisons: how better can be worse

by Rod Morgan

By 1990 the population of Britain's prisons will probably have risen from last Friday's figure of 44,148 to more than 50,000. There are at the moment 7,000 more prisoners in the system than it is equipped to hold; by 1990 this excess population could be as high as 14,000.

The obvious administrative answer to this dilemma is a massive building programme, and this is what the Prison Department, with some success, has been pressing on the Treasury. Eight new prisons are already agreed and work has started on one at Wayland in Norfolk.

But the apparent logic of this response needs to be examined very carefully. First there is only the most tenuous connection between these new establishments and relief of the overcrowded and appalling conditions in local prisons which led to protests by the Governors of Wormwood Scrubs and Strangeways and the Inspectorate of Prisons in their report published yesterday.

It takes up to 10 years to plan, design, construct and commission a new closed prison. Wayland, on which site work has begun, will not be in use before 1985. Woolwich, on which the Prison Department would like to see work start in 1987, could not conceivably receive prisoners before 1991, by which time Mr McCarthy of Wormwood Scrubs will have retired, let alone resigned in disgust.

Even were all Prison Department's new building plans to come to fruition they would not by 1990 keep pace with the anticipated increase in the population. There would be the end of the decade be some 30-40 per cent more overcrowding than there is at present. Any politician who imagines that prison staff and prisoners will accept that position for the foreseeable future is living in a fool's paradise.

In fact, there is no possibility of 4-5,000 cells being added to the stock by 1990. Quite apart from the planning objections and public expenditure cuts which will inevitably delay or stop particular construction projects, further accommodation will be lost because, like Brixton last year, it falls down or, like Hull in 1976, it is torn down.

The Government has announced plans to spend some £360m on major reconstruction projects at over 60 establishments during the next 10 years. Included among the list of local prisons to be improved are Wormwood Scrubs and Strangeways. There can be little doubt that this programme does represent a significant increase in the proportion of the prisons budget devoted to major works of existing sites as opposed to new construction on new sites.

Should anyone feel reassured by what appears, on the face of it, to be a highly desirable shift in policy? The answer, regrettably, must be no, and for two reasons. First, the local prisons on which a major part of the refurbishment budget is to be spent, are not squalid slums because they are outmoded Victorian prisons falling down. Clearly their facilities are far from adequate and need improvement. But the dreadful conditions in local prisons are primarily the consequence of the too intensive usage of those establishments. They are grossly overcrowded.

No increase in the refurbishment budget will, of itself, relieve that burden. In fact, unless there is either an overall decrease in the prison population, or redistribution of the population between

existing establishments, refurbishment programmes will necessarily increase overcrowding. You cannot improve cells while they remain occupied. Indeed, by definition, the more radical the improvements the greater the loss of accommodation.

Which leads me to a second criticism: the £360m does not allow for the provision of integral sanitation and, given the Government's reluctance to reduce the prison population by direct intervention, for very good reasons. The provision of integral sanitation in most nineteenth century buildings would, according to Prison Department estimates, mean the loss of one in three cells.

If the prison population goes on rising, and in the current political climate the Department must, quite rightly, assume that it will, then no improvements involving loss of cells are practicable.

Home Office ministers are already attempting to disarm their critics — particularly those who favour a moratorium on new prisons — by quite misleadingly shifting the ground on which the debate takes place. If you want integral sanitation at prisons like Wormwood Scrubs, their argument goes, do not oppose the construction of Ful Sutton (a proposed maximum security prison) on Woolwich: you cannot have one without the other.

The choice is entirely false. In fact, unless the prison population is reduced, we will not get integral sanitation or better conditions in any of those prisons currently hard-pressed. We shall just get more prisons — and more, and more.

Prisoners know this. Prison staff know it. Mr Whitelaw has impressed most people concerned with prisons as a humane Home

'Mr Whitelaw's change of heart can only lead to confrontation'

Secretary sincerely pursuing a honourable, liberal Tory tradition. His emphasis has been on compromise and exhortation. He has failed. It must now be borne in on him that his U-turn regarding the extension of parole is a price of irresponsibility, not least because everyone he lied he would dare to carry it through.

His change of heart can only lead to confrontation, staff refusing to accept new commitments and prisoners destroying their cells. Nor is it any use Mr Whitelaw referring to the recent decline in the number or length of sentences. Even with such a decline, the prison population remains higher than that predicted by the Department in their evidence to the May Committee in 1979. The lull represents no more than some cooling in the law and order hysteria of the recent past.

In Home Office corridors the talk is all of things having to get worse before the political will is summoned to make them better. Mr Whitelaw cannot spend his time building his way out of this corner. If the population is not reduced, in large numbers and now, then all of his capital expenditure programme is destined, probably quite literally, to go up in smoke.

The author is Senior Lecturer in Criminology at the University of Bath and co-author of *The Future of the Prison System*.

Henry Fairlie

Is this the end of Democracy as Benn knows it?

Washington. By a series of expected but nonetheless dramatic decisions last Friday, the Democratic Party moved in exactly the opposite direction from that in which Mr Anthony Wedgwood Benn and his allies have led the Labour Party, and the differences between them are too important to ignore. The decisions taken by the Democrats at least have the intention of strengthening their chances of surviving and even winning.

With hardly any spoken dissent and only a few dissenting votes, the Democratic national committee, the governing body of the party, changed the rules by which its Presidential candidate will in future be chosen. The intention of the changes is to reduce drastically the role of the party's rank and file and to increase significantly the influence of its responsible leaders.

After the Democratic national convention in 1968, when the party was bitterly divided on the issue of Vietnam between the bosses and the rank and file, it set up a commission under the chairmanship of Senator George McGovern. The reforms which were adopted

from that commission's report gave the rank and file almost exclusive voice in choosing the candidate and writing the platform.

Senator McGovern, having rewritten the party's rules and so understanding them better than most people, then exploited them. He put himself forward as a Presidential candidate, captured enough delegates in the primaries and rank-and-file caucuses to win his party's nomination on the first ballot, and was then resoundingly defeated in the actual election. But one cunning man in Georgia had learned from that year.

Even before Senator McGovern had been defeated, Governor Jimmy Carter began his Presidential campaign. Exploiting the McGovern rules to the full, he secured down delegation after delegation of the rank and file, through the primaries and rank-and-file caucuses, until he also went to the 1980 convention with his nomination assured, but at least he then won the election.

He only just scraped ahead of Gerald Ford in the end, however, even though the whole post-Watergate atmosphere ought to have made his victory easy, and the absence

of real political support dogged him in office. He used his position as President to tighten the rules still further in his favour. But even so, he barely held off Senator Edward Kennedy's late challenge in 1980. He then, like McGovern before him, lost the election.

The party's responsible leaders both nationally and in the states decided that they had had enough of a nominating system in which the rank and file had the power to throw up relatively unknown candidates who then turned out to be losers as national leaders. Even when he succeeded in winning the Presidency, Jimmy Carter lacked the political base within his own party to govern effectively and so threw away his party's chances to enjoy a second term.

So the party's leaders, acting through its national committee, set up another commission, this time under Governor James B. Hunt of North Carolina. It was the proposals of the Hunt commission which were adopted unanimously last Friday.

The new rules require that 14 per cent of the delegates to the national convention in

1984 shall be uncommitted to any candidate. This large uncommitted block of about 550 delegates will be in addition to the committed delegates who are selected in primaries or rank-and-file caucuses. It will consist of two-thirds of the Democratic members of the Senate and House, and of elected Democratic members of state legislatures and other state and local office holders.

This powerful block of party leaders, elected by the actual voters of the nation and not by the rank-and-file activists of the party, uncommitted in advance to any candidate, will at least have the capacity to defeat a candidate who has no real political following, other than that which money and the media can buy. The nominating process will again be strongly influenced if not determined by those politicians who must win the ordinary voters.

Another change requires strict enforcement of a new rule which limits the length of the primary and caucus season to 15 weeks in contrast to 20 weeks in 1980.

The third important change ends the requirement that all candidates be given a percentage of delegates to the national convention in

proportion to the number of votes which they receive in the primaries or caucuses. Mr Carter would not have won the nomination in 1980 if he had not gained large numbers of delegates in the several industrial states where he was defeated in the primaries by Senator Kennedy.

These reforms are by no means foolproof. On the contrary, some Democrats have argued that they may well have consequences other than those that are intended, as reforms often do. But this is why the lack of opposition to the changes from within the party is important. Where there is so much agreement about what has been wrong, it is more likely that the new rules will be effectively used to put things right.

The unity shown in the Democratic national committee, which is drawn from the real party leaders across the country, is a mark of the Democrats' determination to recover their balance.

From here, one has noticed that Mr Wedgwood Benn and his allies, over the past few years, use arguments drawn from the American political system. Those arguments have been misleading, anyhow, based on a total misinterpretation of the system.

But insofar as they have had any validity at all, that has been supplied by the fresh procedures of the last 10 years, which the Democratic Party has now acted to bring to an end. The activist rank and file is being put back in place.

One last reflection is worth adding: the self-correction in which the Democratic Party is now engaged — including the evidence that it will re-establish itself in the centre and again bring together a coalition of various economic and social classes and groups — is an indication of the vitality of the two-party system in America that should be noticed. The two-party system here is exhibiting a striking new resilience.

There is something deeply reassuring in this. As the two major parties both shed their extreme wings, and settle down to contend again for the centre, revitalizing the traditional two-party mechanism that promises a return of stability in government, one is bound to ask questions about the road down which the Social Democrats seem to be pointing in Britain. The two parties here look more solid now than any of the four British parties.

© Times Newspapers Limited, 1982

Never in Britain, says a Nobel Prize winner

Elias Canetti, the winner of the 1981 Nobel Prize for literature, has banned the publication of his autobiography in Britain. Canetti, who was born in Bulgaria, brought up in Vienna, and who writes in German, now lives reclusively in Hampstead — having had a home in Britain since 1938 — and Zurich. Roger Straus, of his American publishers Farrar Straus Giroux, says: "Along of all the countries in the world, Canetti does not want his autobiography published in Britain. He will not talk about it, but he does not want it, and that is final."

When he won the Nobel prize, Canetti was almost unknown in this country and his books unpublished here or difficult to obtain. Marion Boyars, who had published his strange and personal travel book *The Voices of Marrakesh* in 1978, complained that Canetti had been so completely neglected by the literary establishment that it had not been reviewed anywhere. There were heavy reissues of his philosophical study *Crowds and Power* and of his major novel, *Auto-da-Fé*, which Cape had published in a carefully supervised translation by Dame Veronica Wedgwood in 1946 but allowed to go out of print.

Admirers believe Canetti's two volumes of autobiography constitute "a remarkable document of our age" detailing a life which reads like fiction. *Die gerettete*

Zunge, taking his story up to 1921, is published in America as *The Tongue set Free*. The second volume *Die Fackel im Ohr* covers the next decade, and Canetti's meetings in Vienna with famous figures like Brecht, Thomas Mann and Karl Kraus. Straus is to publish it in the United States in June under the title *The Torch in my Ear*.

Bad to verse

Spike Milligan, in exuberantly loony form to launch his new book *The 101 Best and Only Limericks of Spike Milligan* the other night, dashed off an extempore offering for his friend Michael Foot, leader of the Opposition. Here it is:

"There was a place called Hillhead
Voted by every Tom, Dick or Fred
I'm glad to say
I did not vote that way
'I'd rather be bloody well dead.'"
The Sappy Dope Party, Spike explained afterwards, does not scan either.

Major step

The policeman who brought Britain majority verdicts retires today. Sergeant Richard House, the head of Leicestershire police statistics branch, was the back-room boy who compiled the statistical data on which Sir Robert Mark, then chief constable of Leicester, was able to base his campaign for majority verdicts in jury trials. He had taken a Law Society view that the proportion of acquittals

THE TIMES DIARY

The EEC is taking steps to stop German producers from using Italian wines, many of which are of granulated sugar and even sulphurates to boost their production, will embarrass some of the biggest-selling brands in Britain. Blue Nun, Black Tower, Crown of Thorns, Hans Christof and others in such quantities that it will be difficult to keep up supplies if the shippers are no longer allowed to mix in the wines of several German regions as has been their wont.

Monthly, for the news that under an ultimatum from Brussels the German federal government has decreed that henceforward all Liebfraumilch must come from one clearly stated wine-producing region.

was too small to justify a change, yet an acquittal rate of almost 40 per cent in cases of violent crime. Mark decided that a thorough review of the figures was required.

Using House's expertise, a local survey of acquittals in contested cases was followed by reviews in the Midlands and nationwide, providing the evidence which persuaded Roy Jenkins as Home Secretary to introduce majority verdicts in the Criminal Law Act of 1967. Without them Peter Sutcliffe, the Yorkshire Ripper, convicted on 13 counts by majorities of 10 to two, might have gone free.

Pons asinorum

The engineers of a construction company building a nuclear power plant near the central Spanish city of Guadalajara are paying tribute to their ancient Roman predecessors. One of the huge parts for the reactor is too heavy to be delivered to the site at the end of the modern concrete bridge across the Henares river. The builders have asked permission to truck it instead across a narrow stone bridge on an abandoned road, a bridge which, they have determined after examination, is a lot more solid and can take the load without strain. It was built by the Romans, about 2,000 years ago.

The Rector of Bath Abbey, Prebendary Geoffrey Lester, inspired by the Police Federation, has posted a petition for the return of capital punishment, to the abbey porch. The signatories to date include Jack Ketch, giving an address in Lower Hades, Bath; George Jeffreys; and Albert Pierrepoint, who adds to his name "unemployed".

Eros upstaged

A regal Countess Spencer in bright blue coat and matching hat upstaged Eros yesterday when she and a select party of VIPs went walkabout in Piccadilly Circus.

The group — Michael Montague, chairman of the English Tourist Board; Sir Robert Cooke of the Historic Buildings Council, and Mary Baker, chairman of the London Tourist Board — were looking for ways in which the appearance of the area could be improved.

A policeman detached himself from his normal duties to escort the privileged few through the bumper-to-bumper traffic to the

booting annoyance of a hundred cabbies.

From the mausoleum that Swan and Edgar — now cloaked in bile-green 26ft high hoardings — has become, to the building site that will become the Trocadero shopping and leisure centre, the party pondered. The only concrete suggestion was that a mural competition might be held to decorate the hoardings and that those involved in redeveloping the area should be generally chivvied along.

Tending the garden

PHS notes with equal surprise and pleasure the degree of success the vigorous Lady Trumpington is having with her attempt to repeal the shop hours provisions of the Shops Act 1950. What has happened to Lord Allen of USDAW (more properly Earl of Lowfield) who was strangely absent from committee when a compromise amendment to restrict Sunday opening to 1 pm was soundly trumpeted?

What has happened, also, to Lord Sainsbury, who in 1979 spoke out against the far-reaching social and economic consequences of a more modest extension of Sunday trading proposed by Lord Ponsonby? On Monday he was more particularly concerned to ensure that garden centres should continue to be free to sell tools and accessories on Sunday afternoons. Sainsbury's do now have half-shares in two Homebase stores, with garden centres attached which open on Sundays. Another 15 are planned for the next two years.

Blue mail

Barrie Seal, the member of the European Parliament for West Yorkshire, is annoyed at the junk mail he is receiving from the parliament's secretariat. At his British base in Bradford City Hall he received a 4ft parcel, on which he had to pay £2.37 excess postage. The parcel contained envelopes, but would have been a Labour MEP, would have had red.

Mugging up

Though the accent is heavily leaving at the National Union of Students conference in Blackpool, there is surprising interest in one decidedly capitalist stall which offers electronic games from Invaders' Revenge to Cosmic Guerrilla for hire to student unions.

The Liberals try to raise the intellectual tone, prominently displaying John Stuart Mill's *On Liberty*. The SDP mix the collective thoughts of Owen Williams and Rodgers with beakers endorsed: "I'm an SDP student mug."

Sheffield University's psychology department is offering the services of six professional baby sitters, research workers trained to observe the babies' reactions to them. The Department of Health and Social Security is providing £38,000 for a two-year project intended to discover what babies think of strangers who take care of them while mother is out.

Concerning Unesco recommendations at Cairo in December would like to see the Department of the Interior in Unesco to be mentioned recommended effect.

An Islamic UN, state more than two with on the Consultations v of Cairo

Saving Old

From Mr A. K. N. Sir, referring to the publication in February 1981 of "Preserving Old Buildings" signed by Sir H. Walters, since Mr Walters is a chairman of Antiquities Or November immediate have been achieved tremendous challenge monuments represent.

Priorities were aimed in the first instance by 1983 dismantling and monuments after threatening and the necessary archaeological respect and scientific undertaken by the National Monuments Commission with Unesco several restoration.

Concerning Unesco recommendations at Cairo in December would like to see the Department of the Interior in Unesco to be mentioned recommended effect.

An Islamic UN, state more than two with on the Consultations v of Cairo

PHS



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

FORK IN THE ROAD TO UNITY

The publication of the final report of the Anglican-Roman Catholic International Commission (ARCIC) marks the end of one phase in the long process of reconciliation between the Anglican Communion and the Roman Catholic Church, but certainly not the end of that process itself. The commission's findings are those of a group of theologians, not of either Church as such. The participants on both sides have travelled together along a road where their respective mandating authorities will not automatically be prepared to follow them. The results are to be of durable significance "only" in the sense that they will now have to be "sold" to opinion on both sides by an intensive campaign of explanation.

Even if and when they gain authoritative endorsement on both sides, the conclusions of the commission do not in themselves provide a blueprint for organic union between the two Churches, or even a sufficient basis for Rome to authorize reciprocal intercommunion. To do that would mean accepting the validity of the Eucharist as celebrated by an Anglican priest, and that in turn involves accepting the validity of Anglican orders. The work of the commission has certainly made such acceptance easier to envisage, by revealing

how much common ground there is, behind seemingly conflicting phraseology, in the theology both of the Eucharist and of the priesthood as understood by the two sides. But that cannot in itself unsay the awesome words of Pope Leo XIII, whose Bull *Apostolicae Curae* pronounced Anglican orders absolutely null and void. It is not surprising that both the Anglican and the Roman Catholic co-chairmen of the commission have said that the next major step towards union was for the Roman Catholic Church to reopen this question.

Before full union could be contemplated a number of other thorny issues would have to be tackled; some of which were enumerated by Dr Runcie at an ecumenical service in Westminster Abbey a year ago: such issues as contraception, the married clergy, the degree of freedom of local churches from Vatican Control, the authority of the various Vatican Congregations. To these may well be added the question of the ordination of women, which is already an accepted practice both in the free churches with which the Church of England is in the process of entering into a Covenant and in some parts of the Anglican Communion itself.

Anglicans for many centuries have found a positive virtue in espousing a *via media* between Rome on the one hand and full-blooded Protestantism on the other. One disadvantage of that position, when church unity on the agenda, is that Anglicanism feels itself pulled in two opposite directions. Rapprochement with one side can itself become an impediment to the same process with the other. Thus the sealing of that Covenant has been opposed by those who have misgivings about its effect on relations with Rome.

Yet such misgivings are probably misplaced, because the time scale of the two operations is so different. Progress towards mutual understanding between Rome and Canterbury is an immediate reality, and a very important one; but actual union between the two is surely a generation away at least. To be blunt, it is hard to envisage the problems enumerated by Dr Runcie being resolved in a way that Anglicans could accept within the pontificate of the present Pope. That should not, of course, prevent Anglicans from welcoming John Paul II with enthusiasm. But the time scale of rapprochement with Rome is such as to allow plenty of time for the fruits of the Covenant to ripen.

LIMITS OF COMPULSORY TREATMENT

Parliament only finds time to legislate on the rights of the mentally ill every 20 years or so, so when a Bill is produced, it is worth going to some trouble to get the details right. The ideas behind the Mental Health (Amendment) Bill have been mulled over by successive governments and organizations concerned with mental health for at least seven years, and there is enough agreement by now for everybody to accept that in essentials it is a valuable measure. But even after the polishing it received in the House of Lords there are still points of disagreement, narrow but deep, which may not be easily resolved.

The Bill affects only those patients who are admitted to hospital or held there compulsorily. It is to the credit of our mental health services that nine out of every ten mental patients today are voluntary patients. They have the same rights as any other citizen to refuse treatment; they do not like and discharge themselves from hospital. Detained patients have a legal right to appeal at intervals to tribunals of doctors and laymen if they think they are being held unfairly. But the law is not entirely clear as to whether detained patients, who may be incapable of making responsible decisions for themselves, have any formal claim to be regarded as competent to give or withhold consent to treatments that their doctors consider advisable.

When it comes to the point, doctors generally act on the assumption that consent is not required. The Bill will confirm that assumption, as a general rule with specified exceptions: it will be the first time that the law has specifically sanctioned the overruling of a competent person's wishes about what should be done to his own body.

The 1959 Act which the Bill would amend gave doctors in practice a wide discretion

over their patients, which was an improvement on the inflexible process of legal certification which had gone before, but which looks more questionable today, when the use of psychiatry in eastern Europe, and some scandals at home, have made us more sensitive about the civil rights of the mentally ill and handicapped. The Bill sets out to strengthen the safeguards, within the bounds of medical discretion and practicality. It will make access to tribunals easier and more frequent, and give effect to the recent decision of the Court of Human Rights censuring the Home Secretary's power to overrule tribunals' decisions, as well as creating a legal framework for resolving problems to do with consent.

In most of this, it carries general goodwill. But several points remain in dispute. Doctors and other medical staff have resisted attempts to remove the legal hurdles that virtually prevent detained patients from suing staff for assault or negligence. Their fears of vexatious litigation are understandable, but it is important that patients should not feel that the system is biased against them, and there is a case for adopting the slightly less forbidding hurdle ("prima facie case" instead of "substantial grounds") which has worked satisfactorily for 10 years in Northern Ireland.

The most important matter at stake is the problem of consent to treatment. The Government have already moved further towards the position of the patients' rights campaigners than many psychiatrists like, but are being pressed to go further still. When amended as promised, the Bill will divide treatments into three categories. The doctor will be able to act without the patient's consent in an emergency or to guarantee general nursing care. For treatment with drugs, surgery or electroconvulsive therapy

(ECT), the doctor may overrule a refusal of consent if a second psychiatrist (unconnected with the hospital and nominated by a commission which is to oversee the operation of the Act) agrees. But for a very few irreversible and hazardous treatments there will have to be a second opinion and the patient's consent, and a group of three assessors (one of them the psychiatrist giving the second opinion) will have to confirm that the patient is competent to give his consent.

There is concern among doctors that these procedures are too cumbersome, and that they impinge too far on the fiercely-protected area of medical discretion. Fears that a doctor may be unable to cope with a patient who is a danger to himself or others, or may find himself unable to treat an obstinately obstructive patient at all, probably underestimate the scope in practice of the emergency provisions and the likelihood that the second psychiatrist will apply reasonable criteria in assessing a patient's competence. He may have reservations about the precise treatment proposed, but it is unlikely that he and his colleague will be unable to agree on any treatment at all.

The proposed procedure for hazardous treatments involves no intrusion on the strict area of clinical discretion: assessing treatments is a matter only for doctors, but assessing competence is not. But those who would like to see these complex procedures applied to a much wider class of treatments underestimate the practical difficulties of doing so. There is real public concern about the use of ECT, in particular. But it may not be easy to convince the standing committee that consent should be met by inclusion of ECT in the category of "irreversible and hazardous" treatments, rather than by improving clinical procedures for its use.

authorities concerned, including the Unesco expert, were made to establish the Cairo conservation agency. A moratorium had already been issued for the application of the second item of the recommendations, and further studies are being undertaken by the permanent committee of the Egyptian Antiquities Organization to determine any factual and final modifications.

As for the use of reinforced concrete or cement, it is firmly confined to necessary and urgent cases and the utmost care is taken not to extend it to pure archaeological elements. The production of an alternative material is already taking place and should be in use very soon.

Yours faithfully,
A. KADNY, Chairman,
Egyptian Antiquities
Organization,
44 Fakhri Abdel Nour Street,
Abbasiya.

Rail to road

From Mr W. A. M. Barter
Sir, The study of conversion of railways to roads as reported by Sir Harold Bealey in his report (March 24) leaves much unsaid, which casts doubt on the validity of its conclusions.

Astonishingly, the actual cost of the conversion is not mentioned. The Department of Transport has recently turned down the completion of railway electrification to Cambridge since the rate of return, 18 per cent, is too modest. May we know the rate of return to be expected from this conversion?

A double-track railway has a width of about 20 feet, about the same as a suburban back street. Unless a very modest road is accepted, I cannot imagine that the cost of building a road will be reduced by the fact that a railway once ran on the route, following an alignment which would never have been chosen for a road, with heavy earthworks and gradients to reduce curves and gradients to a minimum, but all of which must be converted.

Note that the cost of 57 miles of motorway from Warwick to Oxford would cover about a third of the most extensive B.R.'s electrification programmes, enough for more than 2,000 miles of route.

The only system of road transport that shows any advantage over rail in land-use is one dedicated solely to public-service buses. Since this is also the only system that existing works would accommodate, references to juggernauts are irrelevant and, as both forms of transport are extremely safe, calculations of deaths saved are spurious.

If a conversion is feasible its best chance is with the generously built and lightly used Marylebone lines, but no lightly used service will justify much investment of any sort. I am sure that any available money would be better spent on improving the existing railways.
Yours faithfully,
W. A. M. BARTER,
57 Ellingham Avenue,
March,
Cambridgeshire.
March 24.

On the logic of centrism

From Mr Jack Rendle

Sir, In your leading article of today (March 27) you state that the logic of centrism is either an intermediate series of coalitions, or else a one-party state. With respect, coalitions of the centre are not means of obtaining the greatest public support in times of national crisis.

Coalitions were formed in 1931 and 1940. Can we afford not to have one now? Or do you believe that either Mrs Thatcher or Mr Foot is capable of uniting the country? In 1984 we may well see the Conservative centre join the Alliance.

Yours faithfully,
JACK RENDLE,
Mill Cottage,
Colchester,
March 27.

From Lord Chelwood
Sir, Chris Patten (feature, March 30) is surely right to assess Tories that the SDP is a left-wing party and should not attract their votes. Bill Rodgers, probably the most right wing of the "Gang of Four", has confirmed that his party is "left of centre". In the same issue of *The Times* you report David Steel as saying that so far from the SDP pulling the Liberals to the right, if anything it is the other way round.

Thus it makes absolute sense for moderate socialists to join the SDP, leaving the Marxist rump to its extreme policies, but none at all for "moderate" Tories.

Yours sincerely (and a bit "chelly"),
WELWOOD,
House of Lords,
March 30.

From the Director, Campaign for Electoral Reform

Sir, One source of solace for the thousands of people campaigning for electoral reform since 1974 has been the steadfast support of *The Times*. Parliament Square might sooner be Printing House Square was always staunch.

All the more shock to us to read your leader of March 27, which seems to indicate that you have changed sides in the debate on proportional representation. What can have happened? Has *The Times* been captured by the hand of first-past-the-post fanatics? Is a rescue party needed? I think we should know.

Yours faithfully,
RICHARD HOLME,
Director, Campaign for Electoral Reform,
60 Chandos Place, WC2,
March 29.

Jury qualification

From Mr David Wolchover

Sir, The Home Secretary may or may not be right to argue that "juries should be representative of the law-abiding community" (Parliamentary Report, March 26). (Might not an accused with 10 previous convictions for theft who is charged with asking for a jury of burglars?)

At the very least, however, the Government's view that disqualification from jury service must be widened to embrace anyone convicted of an imprisonable offence within the past 10 years would seem to jar badly with the spirit and provisions of the Rehabilitation of Offenders Act 1974, notwithstanding the exemptions allowed by it.

Yours faithfully,
DAVID WOLCHOVER,
11 King's Bench Walk,
Temple, EC4,
March 26.

Italian mail delays

From Mr Denis Mahon, FBA

Sir, Further to your correspondence concerning the Italian postal system (March 18, 20 and 25), the demerit of that service is that pure luck appears to play a large part in its functioning. For example, a clearly addressed express letter sent to me in London on March 17, with a Milan stamp cancellation mark, reached Athens (sic) on March 21, judging by a postmark on the back of the envelope.

Having been redispached there, according to a second Athens postmark of 11 am on March 22, it reached me in London by the first delivery on March 23.

Yours faithfully,
DENIS MAHON,
33 Cadogan Square, SW1,
March 25.

Trade restrictions

From the Reverend Francis McCarthy

Sir, The President of the Royal Academy of Arts calls (March 29) for the exclusion of advertisement-bearing taxis from Hyde Park.

Nearly 120 years ago the young Father Herbert Vaughan tried to save money by doing the shopping himself in his new Foreign Missionary College at Mill Hill. He used to drive a cart to avoid the expense of a carriage licence. Trying to take a short cut on shopping day he was stopped by a policeman and told that "carriages only" was the rule in the park.

Vaughan pleaded that his cart might be regarded as "a poor gentleman's carriage" and, thanks to his clerical appearance, had all but carried the telltale board on the back of the cart bearing the words, "Herbert Vaughan, Mill Hill." The future Cardinal-Archbishop of Westminster was instantly ejected from the park.

Yours faithfully,
FRANCIS MCCARTHY,
St Joseph's College,
Lawrence Street,
Mill Hill, NW7,
March 29.

Loss of naval establishments

From Captain Stephen Roskill, FBA, RN

Sir, The Government's decision to slash the Royal Navy's surface fleet, despite the very evident anxiety which it provoked in Parliament and in the country's maritime community, was bound to lead to parallel cuts in naval training establishments. But the announcement (March 24) about two of the most famous establishments, HMS Excellent and Vernon at Portsmouth, originally the premier gunnery and torpedo schools but whose functions have changed and in some respects widened since the war, must have come as a severe shock to all who feel concern over the Government's policy.

Despite statements that these drastic steps have nothing to do with the adoption of the Trident missile, and the building of enormous nuclear submarines at vast cost to mount the missile, it is hard to believe that there is no connexion between the two aspects of defence policy — namely deterrent strategy and conventional defence. But there is another side to the substitution of missiles for men, namely, its effects on the national services other than those concerned directly with defence, such as the fire service, the police and the prison service.

I have often taken seminars or given lectures on training for leadership at the Fire Service Staff College, prison governors' conferences and so on, and I

Football question

From Mr Derek Jewell

Sir, Your Football Correspondent, Stuart Jones, is emphatically right in his assessment (March 22) of "the crass stupidity of the overloaded and archaic league structure". He is not alone in his views.

Mr Keith Birkenhead, manager of Tottenham Hotspur, is advocating, totally rightly, I believe, the premier division of English soccer should consist of far fewer clubs, so that our football at the highest level does not continue to be ruined by ludicrous fixture overloading.

What matters now is how the collective mind of the Football League can be changed, by persuasion or force. The blame the league bears is heavy indeed. I suspect that England's poor World Cup showing post-1966 is chiefly the league's fault. The insistence of these men, largely representing minor rather than major clubs, on perpetuating the season's old league programme has season after season, left our leading players with bodies and appetites dulled by too much football, ill-prepared for taking on the cream of the world.

In America the college gridiron

EEC elections

From Mr Philip Goldenberg

Sir, Your leader (March 13) on the proposal of the European Parliament for a uniform electoral procedure for the next round of European elections contains a number of fallacies; and the subsequent letter from the Marquess of Douro (March 17) compounded them, while adding a few of his own.

Firstly, the resolution of the European Parliament (which is a framework for domestic legislation rather than a definitive proposal), while aimed at a regional list system, is not actually incompatible with a modified form of single transferable vote.

Secondly, even on a regional list basis, it specifically permits member states to legislate for voter choice between candidates of the same party, thereby obviating your main (and correct) criticism of list systems in general ("favours the party organisations too much").

Thirdly, if the framework proposed by the European Parliament loses "the concept that an MEP has a responsibility towards a particular constituency" (your leader) and/or "removes the direct relationship between the voter and his personal representative in Strasbourg" (Lord Douro), then both of you are blissfully unaware that the additional member system (which Lord Douro explicitly advocates and you implicitly favour) would entail the creation of a separate class of MEPs who had no constituency responsibilities whatsoever. As for Lord Douro's additional comment that regional list systems are open to abuse, this is not so. It could easily be obviated by appropriate provisions in the related domestic legislation.

Finally, the political truth of the matter may be simply stated. The proposals of the European Parliament should be ideal, but they are manifestly reasonable. For the UK Government now to try to kill off fair voting for Europe by claiming to disagree with these proposals would be pure humbug. Their spokesman when in the House of Commons debated the Lib/Lab proposal for fair Euro-elections in December, 1977, Mr Douglas Hurd, who is now a Foreign Office Minister, said then that he welcomed the fact that the Community would agree in due course to common electoral systems: his whole argument for first-past-the-post at that time was to avoid what he perceived as the difficulties of changing systems twice.

There is no valid reason whatsoever why he, or not, should follow the logic of his argument, and act positively in support of the European Parliament's proposals.

Yours faithfully,
PHILIP GOLDBERG,
White Trees,
White Rose Lane, Woking,
March 18.

Council spending

From the Leader of Hampshire County Council

Sir, I was dismayed to read the article by David Walker on March 11 claim. He says: "In fact, treasurers have padded various items to give a margin... The money is hidden from the public in various ways. In Hampshire for example, while 4 per cent is the publicized limit of how much the county council can pay, it could afford a pay settlement for teachers and others of up to 14 per cent in excess by dipping into various reserves."

Those items referred to are in the local authority's budget. The Hampshire budget contains no padding whatsoever and there is no money hidden from the layman's sight. The reserve referred to is in fact our revenue contribution to capital expenditure which, in recent years, whatever the financial pressures may have been, the county council has never abandoned. If it had to be used to pay out excess inflation it would mean that we would have to borrow more to finance that capital. Hardly a piece of padding tucked away from the layman's sight!

The true position for Hampshire and many other authorities is that we have done our best to maintain existing services as far as possible and by doing so are spending right up to the levels accepted by Government.

If we had allowed for additional expenditure, then Government grant would drop £1 for every extra pound of expenditure.

Churchillian view of European link

From Mr A. N. Duff

Sir, Mr Julian Amery (feature, March 25) may not have seen Sir Winston Churchill's memo to his Cabinet of November 29, 1951 (a few days after the Maxwell-Fyfe speech). The PM said he had "never contemplated" the United Kingdom joining the Schuman plan on the same terms as the Continental partners.

We should, however, have joined in all the discussions, and had we done so not only a better plan would probably have emerged, but our own interests would have been watched at every stage.

Our attitude towards further economic developments on the Schuman lines resembles that which we adopt about the European Army. We help, we dedicate, we play a part, but we are not merged and do not forfeit our character.

I should resist any American pressure to treat Britain as on the same footing as the European states, none of whom have the advantages of the Channel and who were consequently conquered.

Succinct, reactionary and quite wonderful.
Yours faithfully,
ANDREW DUFF,
15 Mount Pleasant,
Cambridge,
March 25.

The age of the cable

From Mr Martin Guinner

Sir, The Government's decision to support a cable information network is significant for many reasons but most of all because it recognises the new direction to our lives from the new communications technology. A technology that has given us the dream of man down the centuries, namely "Lelaure". Yet leisure without work, like raw alcohol, is a killer.

More and more of us are going to work in our homes — dealing and trading — now that the micro processor and the semi-conductor have made it unnecessary to deploy the total labour force to sustain industry and agriculture. This needs to be recognised by all of us, not just by Government, if we are not to create a shambles even greater than that caused by previous industrial revolutions. The management of communications and art do not walk hand in hand and science to-day is walking much, much faster.

Yet communication is both an art and a science and it is the humanities who need to match up to the new era. Schools and universities should teach the social and economic effects of the new technology. Scientists and engineers, trapped within their own impoverished literature of abbreviations and symbols, bewildering even to the cognoscenti, cannot teach us.

We need to teach our managers the management of communications for if we lose control of this revolution we shall have lost control of the next half-century.

Yours sincerely,
MARTIN GUINNER,
Ansty House,
Ansty,
near Salisbury,
Wiltshire,
March 23.

The Stubbs appeal

From Mrs Stella A. Walker

Sir, In 1642 Sir Thomas Browne, in *Religio Medici*, wrote: "I can look for a whole day with delight upon a handsome picture, though it be but of a horse."

Today, for many of us, Stubbs' "Citracker" fulfils the role of a picture. It should remain in this country.

Yours faithfully,
STELLA A. WALKER,
Watermill Farm,
Warbleton,
Heathfield,
East Sussex,
March 26.

Surgeon's hungry allies

From Dr Neville Roussak

Sir, By a singular coincidence, as I read Mr Dencer's informative article on the leech, I saw in my favourite film, *The African Queen*, is being shown on BBC2 and the redoubtable Hepburn is removing leeches from Bogey's torso. These must, indeed, be African leeches, but Mr Dencer will forgive me if I remind him that it is the green, or Hungarian leech, as stated in your original note, and the speckled, or German leech, which are the varieties of *Hirudo medicinalis*, according to Martindale's *Extra Pharmacopoeia*.

And Hirudo the leech, perched on his bottom and sucking away at the skin flap so artfully contrived by Mr Dencer, must be aware that he is injecting the anticoagulant hirudin rather than hyaluronidase, as stated by my surgical colleague. This latter substance is extracted from mammalian testes for therapeutic purposes and would be of no value to the leech as it is not an anticoagulant.

Yours faithfully,
NEVILLE ROUSSAK,
71, Palatine Road,
Manchester,
March 24.

A goodly usage

From Miss Pamela Braley-Smith

Sir, Old linen napkins, recommended by Philip Howard for packing clothing (home by these days), have always found their way into the *Times* as excellent for this purpose, providing the required resilience and ensuring that the clothes, when unpacked, have no creases.

As Edmund Spenser said: "O goodly usage of those antique Times..."
Yours truly,
PAMELA BRALEY-SMITH,
12 Church Lane,
Killingbury,
Northamptonshire,
March 27.

THE ARTS

Joseph Haydn was born 250 years ago today. Paul Griffiths assesses 'the first modern composer' and Hilary Finch (below) interviews H. C. Robbins Landon, Haydn's greatest scholar and advocate

A winner for all time

Haydn was the first modern composer, the first whose music never had to be rediscovered. His Opus 1 string quartets, written around 1760, are the earliest works to have remained permanently in the living repertoire of music, joined there later by the frankly experimental and often powerfully expressive music of what would now be called his mid-life crisis, then a cultivated instrumentalism in the 1780s, and finally by the great festival, or symphonies and quartets, masses and oratorios he produced in his last creative decade.

All this we can remember today, along with a vast quantity of other music whose existence was barely known when Haydn was 200. In recent years, the gramophone and Glyndebourne have at last given us a glimpse of his operas. His piano sonatas and trios have come out of the shadows, and some brave musicians have even tackled the baryton, that bizarre hybrid of violin and cello, in order to play the volumes of pieces he composed to accommodate his prince's unlikely fascination with the instrument.

But there is good reason why these should have been the corners of Haydn's vast output left to our age of insatiable reconsidering. Exploring the music of earlier times was happy to accept the image fostered by the composer himself, that of Papa Haydn, the father of the quartet, the father of the classical style. Opera, plainly, Haydn did not invent, and his operas could not be fitted into the picture. Other works left no progeny, and so they too had to be ignored, together with any other evidence that Haydn's main business was not acting as the progenitor of forms and genres that still have their hold on composers 250 years after his birth.

Fathers, though, stand in a perilous position. Before Haydn's death, in 1809, Beethoven had already written the "Eroica", the fifth symphony and *Fidelio*; the father had been eclipsed by his musical son, and has remained so. Since the same period, too, curiosity has gradually revealed others: Haydn: Sammartini, C.P.E. and J.S. Bach, and more recently a line of ancestors stretching back to Machaut and beyond.

It is natural that admirers of Haydn should have reacted by pressing his claims to other titles than "Papa": to fraternity with Mozart in operatic felicity, or with Beethoven in keyboard flamboyance. But the central facts remain. Haydn did, in all probability, invent the string quartet. He did not invent the symphony, but he gave it a form to challenge composers from Beethoven to Mahler.

Nobody before 1780 would ever have imagined that music was something to be rationally understood: it was Haydn who made it such. Of course the time was right — this was the age of the Encyclopédie and the Declaration of Independence — but it was Haydn alone who realized that music had reached a stage where its workings could be followed by the unaided ear, by the natural man.

To appreciate a fugue requires study and experience, but one of Haydn's quartets or symphonies movements in

sonata form (effectively another of his inventions) lies open for all its strategies to be observed and enjoyed. For in Haydn's hands sonata form was not a set of rules but a natural principle, a way of presenting and developing musical ideas, leading and tricking the listener.

Hence his great gift of wit. Like any child learning to handle what is to him the new medium of language, Haydn begins to indulge in humorous distortions as soon as he has begun to discover that music too can be a language.

The history of music since Haydn is one of forever renewed attempts to subvert this invention, to make music again an art working in primary fashion on the instincts. Beethoven, Wagner, Stravinsky, Boulez: the ventures have been many and various, but Germany, the victory has been Haydn's, for until the microchip makes music it is beyond the reach of the human mind to create anything that other minds cannot eventually understand. It was Haydn who taught us to comprehend his art, and unless we forget him we cannot rest content with anything less.



The traditional image of "Papa" Haydn, drawn by Batt for the first edition (1938) of "The Oxford Companion to Music"

'My next hope is in those Bohemian churches . . . We just might find a lost big concerto'

Ever since he arrived at No 18 Great Funtley Street, London, in 1961, H. C. Robbins Landon has been loyal to Franz Joseph Haydn, remembering him when the rest of Europe chose to forget him, and being largely responsible for the present European Haydn renaissance. Today, on his 50th birthday, he is hailed as something of a national hero in public celebrations at Westminster Abbey and the Wigmore Hall, with two more concerts tomorrow at St John's Smith Square, and the Purcell Room. Radio 3 today is shot through with Haydn's music, and with tributes to him from other composers, and in 10.10. tonight BBC2 runs the first of seven programmes in its Haydn Festival.

That series will be presented by H. C. Robbins Landon. In his researches, in his first complete edition of the symphonies, in his

five-volume *Chronicle and Works*, he has claimed, warmly by Michael Ratcliffe, as "one of the great documentary biographies of the century", and in his most recent fledgling volume, *Haydn: A Documentary Study* (both Thames and Hudson), Landon can be considered to have done as much as anyone to make Haydn's music more accessible, his life, works, and their historical context better understood.

The discovery, when he was a schoolboy, that 90 per cent of Haydn's music was unpublished was enough to set Robbins Landon going: more than 30 years later words and enthusiasm still identify each other for space as he talks about his latest manuscript discoveries. "My next hope is in those Bohemian churches in Czechoslovakia. We just might find a lost big concerto. And we know there's a big lost mass in G minor

. . . And I'm doing 50 Haydn programmes with Austrian radio, playing lots and lots of music that's never been heard before."

The search began as soon as he graduated from Boston University in 1947. "I got the next plane to Europe. I got myself to Vienna as a music correspondent, then, when I saw my army number coming up, I got myself into the US army of occupation of Vienna. There I found a delightful colonel who let me play trumpet in church on Sundays in the big orchestral masses. Meanwhile I was photographing all the sources I could get my hands on. And then in 1949 I formed the Haydn Society to record as many works as possible, to sell them, and with the proceeds to start printing Haydn's music. It's curious, the Austrians have stopped understanding Haydn now. The language just doesn't reach them any more: it's like Latin to them — foreign."

Robbins Landon now watches the Haydn renaissance flowering in England, France, Italy and Germany, where he has performed more than anywhere else. "Only a fool would compare Haydn's opera with Mozart's; but they are getting a proper hearing now so the public can make up its own mind. It'll have sorted them out in 20 years." He once voiced the somewhat controversial opinion that the 1766-85 operas have more to offer than the contemporary instrumental music — and that includes the Op 33 Quartets. "Well, the operas explore large forms in a way that, at that time, quartets and symphonies could not. I mean, nobody wrote Eroica then for instruments, whereas the finales of these operas — one of them lasts 29 minutes — opened whole new formal avenues of thought to Haydn. The Creation couldn't have happened without the operas."

With 106 symphonies, 65 quartets, 62 piano sonatas, 34 string trios and 20 operas, Landon feels that Haydn is now where he belongs. The only problem is fitting it all into the repertoire so that we can discover for ourselves new expressions on Papa Haydn's face, the wit and irony in a composer whom Schumann almost disregarded, whom Fanny saw, with Mozart, as a mere precursor of Beethoven. Landon is at present working on the conducting scores of Haydn's London patron, Salomon, recently found by Alec Hyatt-King. Then there is a film to be made in Amsterdam in South Germany, "where lived our friendly monk, Hochstetter, who wrote the so-called Haydn Op 33 Quartets. We're going to tell how they got to be attributed to Haydn and then go into why people didn't want to hear them any more when they realized . . ."

With increasing performances of Haydn on contemporary instruments, and Liszt's *Armonico* recordings (on Saga) of the *Morán* and, soon (on CBS), the *Sturm und Drang* symphonies, Robbins Landon particularly looks forward to hearing the late symphonies on original instruments. "Christopher Hogwood and I are going to do a seminar on them next March at Clare College, Cambridge. I don't want to throw out every Steinway for a fortepiano, but we ought to know what they sounded like: how the trumpet, for instance, played all those notes that weren't on the natural scale . . ."

Meanwhile tonight on television he turns to Haydn's early years. "After all, how did a young lad, kicked out of St Stephen's cathedral choir school at 17, without any money and without an enormous amount of talent — how did he do it?"

Dance
Caracas revived

There seem to be dozens of ballet companies in South America, but hardly any of them have acquired international reputations, or, apparently, even harboured international aspirations. One notable exception to this humbly insular view was the International Ballet of Caracas, which in both name and action embodied a new South American approach to dance. For the first time South America had acquired a company that was actually intended to play an international role.

The company was founded in 1975 by Zandra Rodriguez, a former ballerina of American Ballet Theatre, and Vicente Nebrada, a choreographer and a former director of the Ballet of the Americas in New York. Both Miss Rodriguez and Mr Nebrada are Venezuelans, and their funding for their company, chiefly arranged it seems by Miss Rodriguez, came from both private and public sources.

The company prospered, and very quickly. By November 1979 it was deemed ready to appear in New York, and this was followed by a European tour, including a London season at Sadler's Wells. The notices were not universally kind in either New York or London, but the spirit of the company, its enthusiasm and its promise, were generally noted and approved, often warmly.

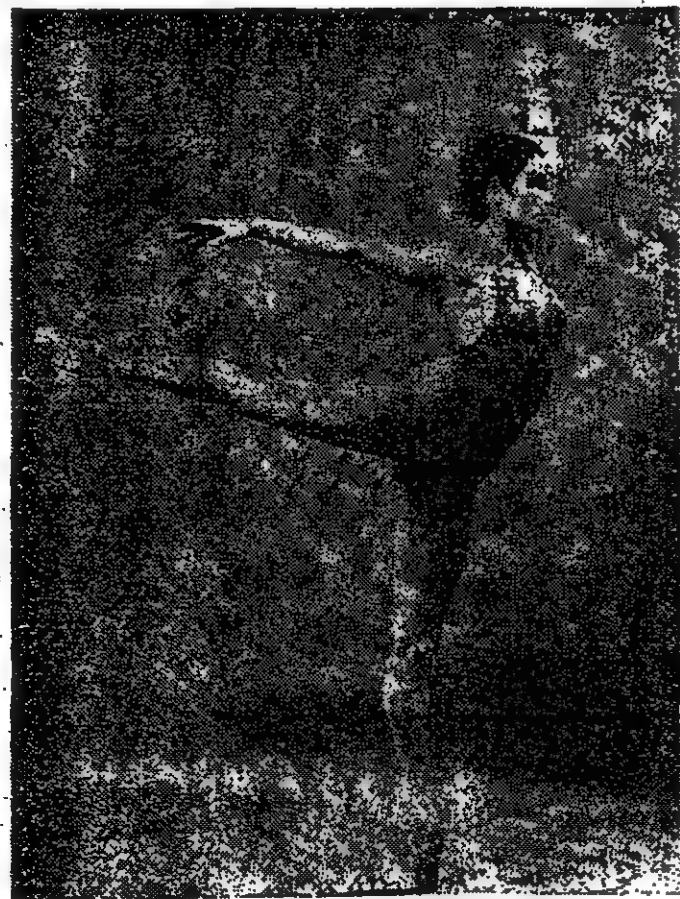
However, that European tour was virtually the troupe's swan song. Soon afterwards there was a falling-out between Miss Rodriguez and Mr Nebrada, and after a period of some kind of armed truce, the upshot of it was that Miss Rodriguez started a new company and Mr Nebrada started litigation. The rights and wrongs of that matter must be settled one day in a Caracas courtroom, and need not here detain us. Suffice to say that Miss Rodriguez's

new company — now called the Ballet Nuevo de Caracas — looks very much like the old one, although, advantageously, it has a wider-based repertoire. Miss Rodriguez is co-artistic director together with the American dancer Dale Talley, who is another of the survivors of the earlier company.

Miss Rodriguez is unquestionably a woman of formidable determination, and her new troupe has, with the assistance of a new ballet master, the Cuban-born and trained José Pared, been licked into shape in quick time. Mr Nebrada has withdrawn all of his own ballets, which is a pity because although they were overweighed the repertoire they also gave it certain individuality.

Seeing the company at the Municipal Theatre in Caracas recently one was aware that originality of repertoire was probably the troupe's most serious failing. In her efforts to broaden her company's choreographic base, Miss Rodriguez has picked up new revivals from such choreographers as John Butler, Choo San Goh and Hans Van Manen, but few works have been created for the troupe. To set against this liability is the forceful style of the dancers themselves. As might be recalled from their London visit these are not the most technically accomplished dancers in the world, but even at their most extravagant they possess an exuberance that is completely winning, at least for those willing to be won by exuberance.

In a performance I saw appeared to be typical of the programming. Admittedly there were two ballets by Choo San Goh — which is surely one too many by almost anyone's standards — but Van Manen's pungent *Five Tangos* more than compensated for their blandness. The Van Manen ballet is peculiarly apt for a South



Zandra Rodriguez in Alley's "The River"

American company, and this image of the tango set to the electronically assisted music of Astor Piazzola, is given with a very special gancho flavour. It is in every way — not least in Jean Paul Vroom's cubist-inclined costumes — a distinctively attractive work, combining choreographic variations on the tango theme, with an objective, half-joking glance at the smouldering Latin temperament that gives the tango its particular emotional nuance.

The Goh ballets are very much a case of the blind, furiously leading the blind, with more velocity than virtuosity. *Birds of Paradise*, to the Ginassara score, is most remarkable for having the birds roasted in hell at the end, and *Momentum* is

virtually self-described by its very title, although it might perhaps be better called *Perpetual Momentum*. Yet the dancing is extremely good. Zandra Rodriguez and Alex Zubiria were vibrant in the *Five Tangos*, and Miss Rodriguez proved as exultant as ever in *Le Corsaire* *pas de deux*, where she was powerfully matched by the young Russian guest artist, Gylis Harangozo, who will be remembered in Britain from his appearances with Scottish Ballet.

Ballet has once more been reborn in Venezuela, and there is not a further palace revolution, it appears that the company will visit New York next year.

Clive Barnes

Polish opera company at Cheltenham Festival

The Warsaw Chamber Opera and the Warsaw Sinfonia make their first visit to this country for the thirty-eighth Cheltenham International Festival, on March 31 to 18. It is also the first time that the festival has introduced a foreign opera company. Contracts for the visit were signed only two weeks ago.

The opera company will give a total of five performances, from July 5 to 9, two of Cimarosa's *Impresario*, a double bill by Haydn, *Lo Speziale* and the composer's one-act musical *Die Erwählung eines Kapellmeisters*.

There are three main themes running through the festival. It continues its tradition of sponsoring performances of new music by British composers, and this year it will also celebrate anniversaries of the birth of Haydn in 1732 and of Stravinsky in 1882.

Among the contemporary British music Stephen Dodgson's *Essay No 1* receives its first performance, by the BBC Northern Symphony Orchestra, on July 3. A piano trio by Andrzej Chackowski, better known as a pianist

than as a composer, will be performed on July 4, and performed in her song *Jane Manning* in her song *rectal on July 4* will give the premiere of *Elis Pekkonen's Four Russian Songs*.

The festival has commissioned three new pieces this year, including Charles Camilleri's *Fantasia Concertante*, which will be played by John Scott in his organ recital on July 10. The second special commission is the six Opus 33 string quartets played by the Cheltenham Quartet.

Racine Fricker's *Rondeaux* for horn and orchestra, to be played by the City of London Sinfonia under Richard Hickox, with Ifor James as soloist, on July 14.

Celebrating the 250th anniversary of Haydn's birth, the festival has concentrated on the music he wrote around his fiftieth birthday, 200 years ago. The programme will include three symphonies, 76, 77 and 78, and the six Opus 33 string quartets played by the Cheltenham Quartet.

Christopher Warman

Theatre

The Best of British Music Hall

Lyric, Hammersmith

You who have hisses, prepare to share them now. The Hiss and Boo Theatre company is in need of them. In a programme that began as *The Best of British Music Hall*, since the 1930s and champion of his music, Legga was especially gratified when he brought his orchestra and its splendid new chorus, also his musical creation, together with Legga as conductor of *Belshazzar's Feast*. It was appropriate that Walton's eightieth birthday concert in London, given on Monday, in his presence, should have been put on by the Philharmonia Orchestra.

It was a grandly festive affair. Sir William sat in the ceremonial box, between his wife and Princess Alexandra. The Festival Hall was absolutely full. The composer was given numerous standing ovations and himself roared several times at the end to acknowledge cheers and impromptu renderings of the appropriate song, the last one by the Philharmonia Chorus, a full-throated four-part harmony.

The conductor of this Walton birthday concert was André Previn, a champion of some years, not to say decades, standing. Sensitively Previn banked the fires of *Orb and Sceptre* until after the first playing of the Trio

Walton birthday concerts

Philharmonia/Previn

Festival Hall/BBC 2/Radio 3

Sir William Walton has had a long, and for many years active, relationship with the Philharmonia Orchestra, through its founder, Walter Legge, a friend of Walton's since the 1930s and champion of his music. Legga was especially gratified when he brought his orchestra and its splendid new chorus, also his musical creation, together with Legga as conductor of *Belshazzar's Feast*. It was appropriate that Walton's eightieth birthday concert in London, given on Monday, in his presence, should have been put on by the Philharmonia Orchestra.

It was a grandly festive affair. Sir William sat in the ceremonial box, between his wife and Princess Alexandra. The Festival Hall was absolutely full. The composer was given numerous standing ovations and himself roared several times at the end to acknowledge cheers and impromptu renderings of the appropriate song, the last one by the Philharmonia Chorus, a full-throated four-part harmony.

The conductor of this Walton birthday concert was André Previn, a champion of some years, not to say decades, standing. Sensitively Previn banked the fires of *Orb and Sceptre* until after the first playing of the Trio

selection's solemn melody. *Belshazzar's Feast*, given by the Philharmonia Chorus, was an obligatory inclusion, and received a resplendent performance under Previn who revelled in the pageant or, with its percussive portrayal of gold, brass, wood, iron and the rest, and in the extra brass bands who enhance the climax from either extreme of the platform. The choral soprano sounded less lusty than expected, though fine-toned, in balance with the rest, by the waters of Babylon or in the shadowy lament for "that great city". Thomas Allen was superb in his narrative, as in his lyrical first solo promise to Jerusalem. The account, all told, was greatly spirited, with the proper measure of jubilation that we all looked for on this birthday.

For a major orchestral work to intervene, many of us would have demanded Walton's first symphony, that comprehensive mouthpiece of youth's ecstasy and rebellious melancholy. The Philharmonia preferred the *Violin Concerto*, which deals with allied topics less tactically, more brilliantly it may be, with an even stronger well of lyrical melody, and with the searching artistry and enchanting person of Kyung-Wha Chung as soloist. Her performance abounded in the passion, but not quite all the poise.

William Mann

pattern their way across its lyrical heart.

"They reshaped the teachings of the scherzo, too (is there even a hint of a mocking 'happy birthday' embedded there somewhere?), and the progression, through rhapsody and the ruse to the inexorable climax of the finale, its confidence looking ahead to the first symphony. If Miss Imai had allowed herself to bask just a little more in the music's sunlight, to warm a too unyieldingly stringent and at times uneven tone, this would have been a quite outstanding performance."

Dvorak's seventh symphony, like Walton's first, had a long, painful genesis. Like Walton's, too, it achieved a new strength of formal control which did not come over quite convincingly on Monday. There was plenty of excitement, with intensely built and sustained climaxes and fine violin solos; but some coarse violin playing and edgy ensemble, and a lack of a strong direction for its shifting dance shadows, made it seem not yet settled into its skin.

Hilary Finch

Television

Working models

Consent, blighted by a British Steel closure, and Kirkby, Liverpool, resigned to a 34 per cent unemployment rate, were the sites from which Everyman launched its programme *The End of the Work Ethic* on BBC 2 last night.

The thrust of this was that Protestantism, Methodism in particular, has moulded our view of work, investing it with a religious feeling, persuading us to stand on the shoulders of Mammon to reach God, so that wealth becomes an outward sign of inward grace. To be unemployed, for whatever reason, is, as Len Murray put it, seen as "wicked".

Mr Murray was appearing not merely as the TUC's General Secretary but as a Methodist. What he thought necessary, in a world where work could not be taken for granted, was a kind of social consensus which recognized people's needs and met them without resentment. The problem of the future, he said, would be how we distributed work, leisure and income.

This view was subscribed to in part or in whole by most of the witnesses who, in addition to the unemployed, included the Anglican Bishop of Woolwich, Michael Marshall, the research director of the ASTMS, Barry Sherman, the Dean of the Business School of the City University, Brian Griffiths, a lecturer in history from Sussex University, Alun Howkins, and Father Jim Collins, the Catholic parish priest of Kirkby.

The reporter Graham Turner, who did an excellent job, raised the question of what might happen if the connection between work and reward were destroyed. Would it not mean that we might all be left to share poverty? He did not seem to get a proper answer nor could I see, even if all the churches went into rapid and simultaneous reverse, that a situation of sweetness and light could be reached in the bleak future. Angela Tilby's programme might perhaps have included a question-mark after its title to avoid being precipitate, but it was very watchable and well photographed.

It is a pity that Tuesday night so often offers choices denied on other nights. Last night there were two good plays: from BBC 1's *Play for Today*, *Ever Set the Bells of Corruption Rolling*; from Central, *Four in a Million*. As they overlapped, only those who were asleep could benefit.

The first, by Marcella Evaristi, who also acted, concerned a reunion at a convent, where the girls gather 12 years on to compare rewards and losses and, unavailingly, see if they can rise above the dislikes of yore, made plain to us in flashbacks.

The organizer is the one whom everybody disliked most — is it not always the way? — and the evening is made singular by one old girl giving birth after being trapped in a lavatory and another being breathlessly It was full of spiky dialogue, very well observed, funny, unquenchable, and only those who are not rubbing their illusions and delusions together after hours.

William MacRae, Tracey Ullman, Debbie Arnold and Alan J. Clark brought reality to this rather side of show business, as they directed themselves. He devises his plays in the manner of Mike Leigh, whose *Home Sweet Home* we saw on BBC 1 two weeks ago, but whereas that one lacked substance and everywhere unit to be a failing — the one provided its characters with dimensions and observed them with insight.

Dennis Hackett

William Mann

Tonight & Fri at 7.45/8.00/8.45 Sat at 8.00 & 7.45 in the Lyttelton

THE SECOND MRS TANQUERAY

Felicity Kendal and Leigh Lawson

"Powerful and heartstopping... Felicity Kendal blazes with a special and consuming fire"

(D. Mail)

NATIONAL THEATRE

01-928 2522

Credit Cards 01-928 5933

Stock Exchange Price

Firm trend

ACCOUNT DAYS: Dealings Began, March 29. Dealings End, April 16. § Contango Day, April 19. Settlement Day, April 26.
 § Forward cargoes are permitted on two previous days.

€ Forward bargains are permitted on two previous days.

**Ring...
King & Co**
Industrial and
Commercial Property
Tel: 01-236 3090 Telex: 885485

[illegible]

The
As
contact v
financial
spectrum
banking
trustee s
Bus
specialis
For

Head Office | Que
Hong Kong, Temp
2nd Floor, Admin
Tower 1, Harcourt
Telephone: 5-8228
Telefax: 73201

QATAR

Qatar, no larger than Yorkshire but with a much lower population, is among the smallest Opec oil producers but has enormous reserves of natural gas. Geoffrey Weston takes stock of its prosperity and prospects and, in a second article, examines the role of the Ruler, Shaikh Khalifa bin Hamad al-Thani, in the peoples' rise to a place among the richest in the world.

Basking in a golden age

My driver abandoned his gleaming new Chevrolet in Doha for a Toyota four-wheel-drive truck to take me to Ras Laffan—a remote headland some 45 miles to the north and then eight miles' bumpy ride over the sand. The only signs of life were a few curlew running along the water's edge below an empty coastguard station and a rusting navigation beacon.

The driver's interest lay solely in gathering useful floats from the beach: cans of corn oil from a recent wreck, coils of rope and planks of wood for his second garage. Thrift dies hard in a country still barely accustomed to its wealth.

For officials in Doha, however, Ras Laffan is the nearest point on the coast to the world's second largest gas deposit, the North Field, which could spawn a new town and industrial centre, as well as ensuring economic stability long after the oil has run out on a scale that could be the envy of other Gulf states.

To a casual observer Qatar may appear a swollen thumb on a map of the Gulf—a peninsula of sand with plenty of oil and few people, a mere appendage to the vast Saudi Arabian hinterland. For many years its comparatively good grazing attracted bedouin from central Arabia, whose strict Wahabi approach to Islam still prevails there, as in no other Gulf state, but Qatar remains a gentle, relaxed place compared with its giant neighbour.

To Shaikh Khalifa bin Hamad al-Thani, who has led the Qataris with a rare sense of vision from poverty to unimaginable wealth in the last 20 years, the importance of establishing a sound economic base and a sense of national identity has been clear, particularly since independence in 1971.

The early decision to invest in an industrial base at Umm Said, south of Doha, has attracted Saudis anxious to apply the lessons of this success story to their own massive but far from complete industrial base at Jubail. Industrial expansion has been the means to stem the wasteful flaring of natural gas associated with oil drilling. Though it has so far been unaffected by the fall in the demand for oil, it has focused attention on the need to exploit the North Field as soon as possible, and a decision on its future is believed to be imminent.

While oil should last at least 35 years, the full extent of the North Field has yet to be established. Shaikh Rashid Awaidah al-Thani, who is in charge of the North Field plans, is confident it will provide Qatar with energy for 200 years, or at least 100 years allowing for exports.

The economic growth it is expected to generate would be the first to check the drift to Doha, the capital and home for at least 80 per cent of the population, which is probably no more than 220,000. Like the other rich but sparsely populated states of the Gulf, Qatar has a large but unaccounted expatriate force to help it to run its affairs.

Establishing Qatari nationality is as precious as being a Roman citizen in ancient times. It brings with it the right to a house, land, a generous loan for a car (which can then be leased back to the government) and a government job, which is rarely arduous and can be a sinecure, with a tax-free income of at least 3,000 rials a month and free electricity and water.

Some leading members of Qatari society have been accused of unrestrained extravagance, although it is probably no more than could be expected from a society

that has suddenly unearthed its crock of gold. The temptation to spend on prestige projects and in self-enrichment has been resisted noticeably more than in other Gulf states, particularly by Shaikh Khalifa, who has won a reputation for being hard-working and unostentatious.

Though development plans have given priority to infrastructure and social services, Doha has acquired some spectacular buildings in recent times, all of them arguable contributions to the national identity.

A more surprising early project was the National Museum, a conversion carried out by the British consultants Michael Rice and Company. It has won international renown, but more important, it captures brilliantly for the visitors and locals who pack it every weekend a previously unexpressed sense of national heritage.

It is housed in a former royal palace, in which the present Ruler lived as a child, and is a source of such pride that when a group of locals recently found some old coins in the desert they immediately donated them to the museum and reported that one man had kept some for himself.

Shaikh Khalifa is reported to consider the new university the country's principal asset. It is due to open next year in a complex of honeycomb design, although it has been functioning as an institution for four years. Some of the most striking projects were opened on February 22, the anniversary of the ruler's accession, and included a hospital, the National Theatre and the Sheraton Hotel.

The \$150m hotel, owned by the government and built to hold major international meetings as much as a commercial enterprise, is a

remarkable piece of architecture—a three-sided zigzag dominating the capital's skyline and certainly one of the most luxurious hotels in the Middle East.

The Qataris have good reasons to spell out their independence. Their resources are small by comparison with Saudi Arabia, whose foreign policies they traditionally support, yet it would be all too easy for their little country to be overrun in a Middle Eastern cataclysm. The Iran-Iraq War, the Russian invasion of Afghanistan, United States obsession with the oil resources of the Gulf and the Palestinian problem are just some of the causes of anxiety.

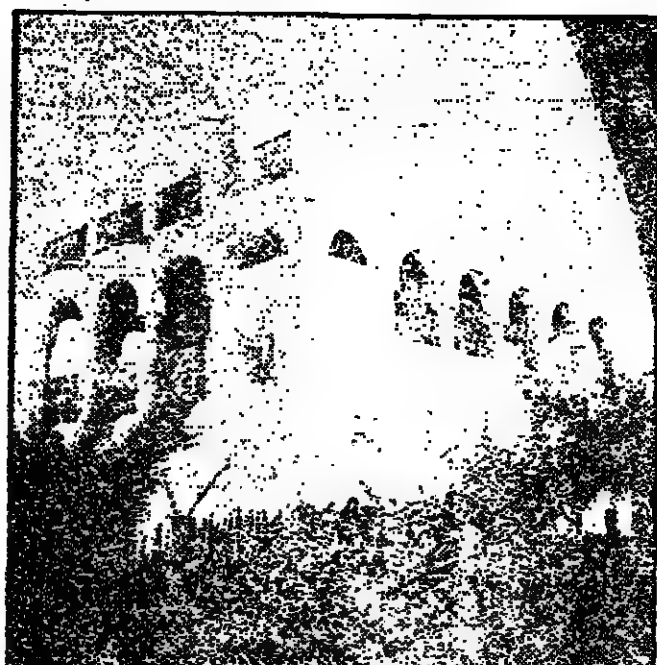
The attempted Shia-inspired coup in Bahrain last December was the most recent and closest to the Qatari doorstep. Relations with Bahrain are the only ones fraught with tension, largely because of a British attempt to quell trouble between the two sides in the 1930s.

On the advice of the British Political Resident, the British Government suggested that Bahrain should claim the uninhabited Hawar Islands, 17 miles to the east of Bahrain, but effectively joined to the coast of Qatar—a point that Shaikh Khalifa is reported to have hampered home by wading out to the islands at low tide.

The arrangement was made before serious consideration was given to offshore mineral rights, although the islands appear to have no hydrocarbon resources. Nevertheless they lie close to Qatar's oil fields and are clearly a matter of national pride.

Bahrain's right to the islands appears to be extremely tenuous although it keeps soldiers there.

A more recent flare-up over the issue resulted in intervention by Saudi Arabia



Emphasis on cultural and historical identity has instilled in Qataris a sense of patriotism rare among Gulf states. The National Museum is a great attraction at weekends and, below, visiting Lebanese players in the first production at the National Theatre, opened last month.



through the Gulf Cooperation Council, of which all three are members and of which Qatar is an enthusiastic supporter. As a result, the belligerents have agreed not to give further publicity to their dispute in the hope that some progress can be made towards a solution.

The al-Thanis are related to the al-Khalifa dynasty of Bahrain, which used to occupy the north of Qatar, but generations of antagonism between the two families have reduced the affair to a relatively cosy ritual com-

Conservationist and pioneer

A Lebanese who visited Doha in 1971 took a taxi from the tiny airport to the only hotel and then asked the driver where the town was. "You have just come through it," was the reply. Qatar was on the threshold of independence and the most far-reaching changes in its history. Even though oil revenues have provided the means, the pace and nature of this transformation have, to an exceptional degree, been shaped by the present Ruler, Shaikh Khalifa bin Hamad al-Thani, who celebrated the tenth anniversary of his accession last month, but has effectively run the country since 1960.

When Khalifa was born, in 1932, Doha was a desperately poor community of old and mud houses, divided by narrow alleys, without electricity, running water or paved roads. There was neither a port nor an airport, and ships were forced to unload into lighters three to four miles off shore. The population took to their boats to fish, dive for pearls or just to escape the searing heat of the summer months. There were no other significant occupations.

Khalifa remembers only too well the collapse of the pearling industry after the arrival of the Japanese cultured pearl and the boats being burnt, in desperation, for fuel. More important, he never forgets the disastrous consequences of relying on a single resource, and after coming to power was determined not to repeat the mistake.

Although the first oil was discovered in 1935, it did not start to flow until 1939, and the war postponed further progress for a decade. Meanwhile Khalifa's brightness and alertness had marked him out, according to Qatari tradition, as the favoured son of the family. Both his grandfather and his father saw him as a future ruler, although his education was a traditional Islamic one and he did not attend school.

When his father died in 1949, he was too young to take over and his uncle Ali Ben Abdullah al-Thani, who made Ruler, with Khalifa as

Crown Prince. In 1960 Shaikh Ali tried to step down in favour of his own son Ahmad. A compromise was reached whereby Ahmad became Ruler and Khalifa Deputy Ruler and Prime Minister with full executive powers.

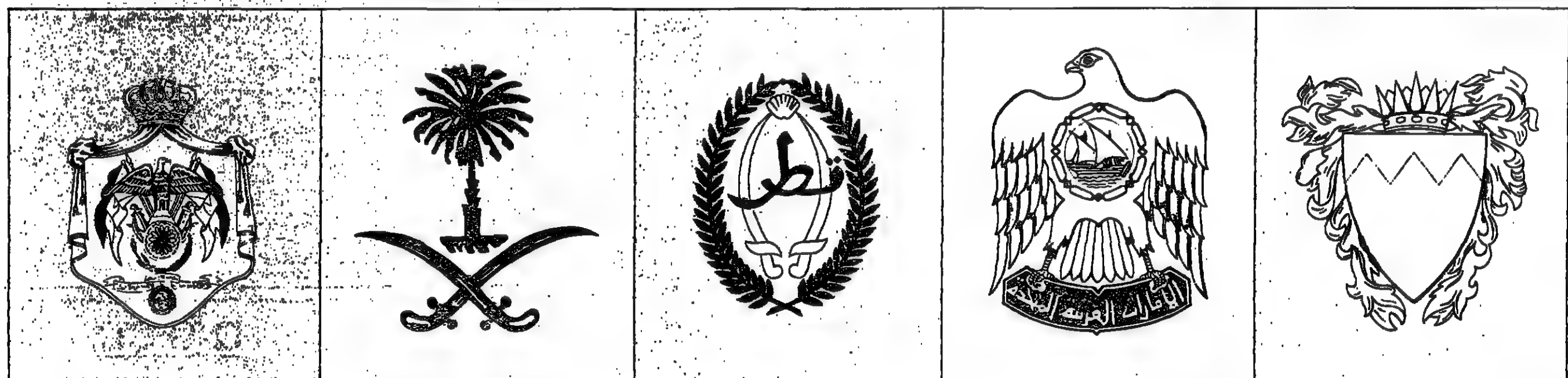
He quickly grasped the need for change, introducing modern forms of education and becoming the first Minister of Finance. By nature he is cautious and will never be rushed into judgment. Some observers see his office as one huge planning operation. Shaikh Ahmad was content to leave the running of the country to his cousin and spent much of his time abroad. Britain's withdrawal from the Gulf in 1971 proved the most testing time for Khalifa. He was a prime mover in the efforts to form a federation of Gulf states and wanted both Bahrain and Qatar to join what was to become the United Arab Emirates. He was even elected chairman of a provisional federal council embracing nine states, but protracted wrangles prevented agreement, and Qatar and Bahrain decided to go their own ways.

The disappointment did not deter Khalifa from advocating an economic agreement based loosely on the European Economic Community—an idea that finally came to fruition in the Gulf Cooperation Council formed last May between the six monarchies of the Gulf.

Shaikh Ahmad was on holiday in Switzerland when independence was declared in September 1971 and declined to return home for the formalities. Meanwhile his son Abdullah, who had a reputation for being irresponsible and for abusing his status, was attempting to increase his own power and persuade his father to make him Crown Prince.

Khalifa watched events closely for some months, and on February 22, 1972, seeing that for the second time he was in danger of being usurped, he assumed the powers of Ruler in a bloodless coup. He immediately abolished the Ruler's office.

continued on page III



Who's Who in the Middle East?

The British Bank of the Middle East knows what's what

As a member of The Hongkong Bank Group, we have direct contact with nine hundred offices in over fifty countries, in all major financial areas, connected by satellite Speedlink, and offer the full spectrum of banking services including commercial and merchant banking, insurance, finance and investment management, and trustee services.

Business Profile books are just one of the examples of the specialist services provided.

For copies of these books write to one of the addresses given:

Head Office | Queen's Road Central, Hong Kong. Temporary Address: 23rd Floor, Admiralty Centre, Tower 1, Harcourt Road, Hong Kong. Telephone: 5-8228333 Telex: 73201

Group London Regional Office 99 Bishopsgate, London EC2P 2LA Telephone: 01-493 2366 Telex: 889185

The British Bank of the Middle East Falcon House, Curzon St., London W1Y 8AA Telephone: 01-493 8331 Telex: 27344

The British Bank of the Middle East 195 Brompton Road, London SW3 1LZ Telephone: 01-581 0321/4 Telex: 8953821



Gas

Energy problems delay benefits of North Field

The non-associated gas deposits of Qatar's North Field, previously known as the North-West Dome, were discovered in 1971. They lie about 45 miles off Ras Laffan in the north-east of the Qatar peninsula. The full extent of the field is not yet known, but conservative estimates of proven reserves range from 100 trillion to 120 trillion cubic feet; probable reserves are estimated at 300 trillion. It is said to be the world's largest single concentration of non-associated gas reserves.

Low prices for gas and Qatar's relatively adequate oil reserves postponed a decision on the future development of the field until last year when the Ruler set up a committee under his cousin, Shaikh Rashid bin Khalifa al-Thani (deputy managing director of the Qatar General Petroleum Corporation, the state oil company) to call for detailed proposals on development from interested oil companies and potential customers.

These were to be along the lines of an 80-20 joint venture with QGPC, involving two groups of foreign partners: one with LNG (liquefied natural gas) technological experience (with 15 per cent equity), the other with marketing experience and access (5 per cent).

Companies submitting development proposals were BP, Shell, Compagnie Francaise des Petroles (CFP), Wintershall (West Germany) and Roy M. Huffington (USA). Recently Exxon, which was originally discouraged by its Libyan LNG experience, has been showing interest. Only the Japanese were initially approached as customers and they divided three years ago into two consortia: Mitsui, Mitsubishi and C. Itoh in one, Marubeni and Nissho-Iwai in the second.

The project envisaged by the Qatar Government would produce some 2,000 million cubic feet a day (cf) of sweet gas — 760 million cf for local consumption, the rest (about six million tons a year) LNG for export. The domestic project is seen as the first phase and could be executed independently of the second, export phase, though this would raise the cost of the gas extracted.

There is, however, a possibility of the gas field extending on shore, which would lower the cost of its development considerably.

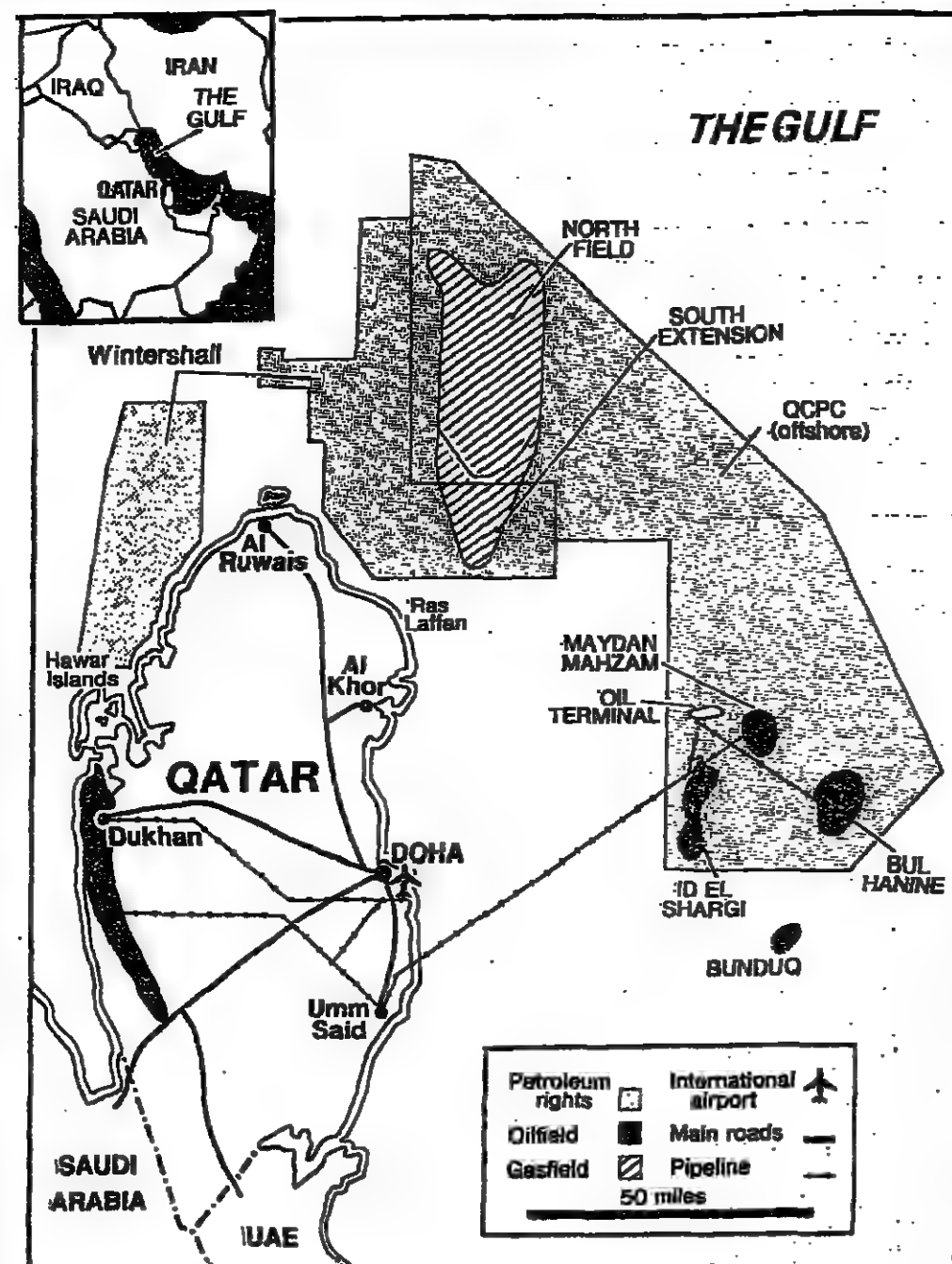
Qatar would like the domestic gas by the end of the decade. Its industrial base is designed on a production of 70,000 bpd but production is currently about half of that and industries at Umm Said are running below capacity.

The project would include construction of offshore production platforms and trunk pipelines, a harbour, gas liquids recovery facilities and an LNG plant. There would also be pipelines taking natural gas liquids down the coast to the industrial zone of Umm Said, and a fleet of up to 10 LNG tankers, with a probable capacity of 130,000 cubic metres each of LNG. The estimated total cost is now about \$5,500m, but this is already up from the original \$4m and further rises are inevitable. If a decision to go ahead were taken this year it could be in production by 1990.

The North Field has had tremendous publicity — over-exposure, some would say, reflecting a scepticism which has set in coincidentally with the present gloom over fuel prices and the unforeseeable future. The Qataris are keen to develop — with reservations about the social implications of the foreign immigration which the project would necessitate; their economic viability may depend on the North Field in 20 years' time when their oil reserves will be seriously depleted (recoverable oil reserves are estimated at 4,700m barrels).

The oil companies are also keen to develop — with reservations about the return on their investment and its protection, perhaps in the form of a higher share of the equity, from production cut-backs. The Japanese are said to be pressing for more equity than that originally on offer.

All parties have reservations about the problems inherent in gas projects, the technology of which is constantly breaking new ground and not always very happily. As one diplomat put it, oil



produces wealth, gas produces headaches.

At the moment, however, it is the problem of LNG exports which give rise to the most persistent headaches. LNG projects take eight to 10 years to come to fruition; the North Field development moves us forward to the turn of the century in terms of fuel use.

It is the huge time involved which makes projections as to future needs in Japan, or in Western Europe for that matter, particularly vulnerable, especially in the climate of the present oil glut and the continuing recession.

The Japanese are remaining particularly cagey about their future needs. Qatar is a long way from Japan and the Gulf and Indian Oceans are politically vulnerable. Will the recession bottom out in two or three years' time? Will

conservation measures continue to bite? Will the present burst of nuclear power supply in Japan (some 22 reactors producing or near production) be sufficient beyond 1990? How much heavy industry will Japan have moved out by then, to neighbours with cheaper labour?

The development of the North Field must be seen in the light of such questions, which are bothering economists all over the world. There is also an Arab context. The Qataris would like to play a bigger political as well as economic role in the Gulf, for instance in the Gulf Cooperation Council. For this they need to be seen to be among the major producers. This is not possible with their oil; with North Field gas it is.

Sarah Searight

Oil

Over a price barrel

When the small emirate of Qatar finally became fully independent from Britain in 1971 it had already been a member of the Organization of Petroleum Exporting Countries for 10 years. Then as now Qatar depends almost wholly on crude oil exports for revenue: in 1970 oil brought in \$122m, and in 1980 it raised \$5,400m. That increase is in part due to Qatar's commitment to Opec.

Unlike its neighbour the United Arab Emirates, of which Qatar might have been part when the federation was formed in 1971, Qatar is one of Opec's toughest members. Its policy is dictated by two factors: the shortage of alternative income (at least until natural gas from the North Field becomes commercial); and the small size of production and reserves.

For the Gulf sheikdom is one of Opec's smallest members. At the end of 1980 the country's oil reserves were put at 3,500 million barrels enough for just 25 years production at 400,000 barrels per day (bpd). In fact the recent Opec agreement at Vienna to share production cuts has reduced Qatar's output to 300,000 bpd. As late as January production was running at more than 402,000 bpd. Only Ecuador and Gabon pump up less oil, but they are rather bigger countries.

Production in 1981 averaged 405,000 bpd, a drop of 14 per cent from the previous year. That was much in line with government targets and the authorities try to match conservation with revenue needs. But 300,000 is something of a sacrifice for so small a country, whose

income has also fallen over the past six months, and whose foreign reserves possibly amount to \$9,000m. Even for a population officially estimated at 250,000 (but unofficially put at nearer 220,000) this does not allow much leeway if reserves are indeed exhausted in half a lifetime.

Qatar therefore has tended to support a more aggressive oil pricing policy than its giant neighbour Saudi Arabia and its ally the UAE. In 1976, for example, when the Opec ministerial meeting was held in Doha amid tight security, Qatar was among the majority of Opec members who raised their prices, while Saudi Arabia and the UAE held theirs down. This two-tier pricing strategy was the first major split in Opec ranks after the rapid price increases of 1973-76 and an embarrassment for Qatar, the host country, and its oil minister, Shaikh Abdul Aziz bin Khalifa al-Thani, who could not prevent the breach and immediately became president of a divided body.

Opec recovered its composure later in 1977, but the 1979 meeting in Caracas also failed to agree on a single pricing policy, and during the ensuing two years of considerable disarray in the oil market Qatar took full advantage of high prices. In 1980 the Qatar General Petroleum Corporation was able to impose a premium of \$6.50 a barrel, particularly on oil sold to Japanese companies. The QGPC tried to enforce the premium when the Japanese buying contracts expired in March of last year. By then production was clearly falling, and Opec was

sailing into choppy waters. But in the event Qatar accepted that such high prices were unsustainable, and in May agreed with nine other Opec members to cut production. Maximum allowable production was lowered to 427,000 bpd.

At last year's August, October, and December Opec meetings, Qatar sided with those who wanted to reduce production to support prices. One consideration has been political. While its revenue needs are more acute than those of its neighbours, Qatar shared with them the fear of Iran — especially after the attempted coup in Bahrain — and watches nervously the course of the war between Iran and Iraq. Such events have pushed the emirate closer to the Saudi camp, away from the radicals in the larger Gulf states.

Qatar's policy has therefore shifted from pushing for price rises to support for the Saudi strategy of defending the \$34 a barrel marker price by seeking and maintaining production cuts. As a country which has offered proportionately a major cut, Qatar now has a strong interest in seeing that the machinery of enforcement works, and that other producers keep their promises. The emirate certainly does not want to cut oil production further, because recent cuts have been diminished to critical levels the associated gas which fuels the country's burgeoning heavy industry.

But a longer term reason for backing the Saudi approach has also emerged over the past two years. Qatar is the proud possessor of one of the world's biggest natural gas fields.

Given such small oil reserves, Qatar's future lies with successful exploitation of its gas.

So it is not surprising that Qatar has been arguing within Opec that natural gas should be indexed to oil prices. In pursuing this line, the emirate has sought support from Algeria, which recently signed a long-term gas supply deal with France, and from Saudi Arabia, whose gas reserves are considerably bigger than its oil deposits.

But Qatar's idea raises some awkward problems for Opec. Not all its members are significant gas producers, potential or actual, and would not wish to become dangerously competitive with oil. Gas also tends to be a more localized industry than crude oil. General price fixing is therefore harder.

Whether Qatar will press for a broad Opec policy on gas pricing, or resign itself to building indexation into individual contracts, is still unclear. But in either case, the outcome implies a vested interest in stable or predictable oil prices, which in turn suggests continuing agreement in production levels. Qatar's Opec role is thus quietly changing. If the emirate does become a major gas exporter, Qatar is likely to be less pragmatic about Opec pricing than in the past.

Michael Prest

Banking Waiting for the cheque

Like all other business sectors in Qatar, Doha's bankers are waiting patiently for the planned \$6,000m development of the massive natural gas reserves of the North Field. "The go-ahead to develop the North Field has boosted confidence," says a British bank manager in the capital. An Arab banker adds: "Most of our future funds will be used to finance future development — especially the North Field."

Although it will probably take about a year from the first disbursements before funds from the North Field investment begin to filter into the banking system, the banks are unlikely to face any hardship in the short term. In a country where probably more than 90 per cent of the economy is generated through government expenditure, the banks began to reap the benefits in 1981 of the Government's first major spending increase for five years.

In the first half of 1981 the consolidated balance sheet of Qatar's 13 banks rose by 26 per cent to 9,193.6m Qatari rials, in June 1981 from 7,296.1m Qatari rials six months earlier. The rise for the full year was more than 30 per cent.

Banking in Qatar is a relatively young industry, the first bank being established in 1950. The sector's growth has been steady rather than dramatic, reflecting the Government's own propensity for cautious, carefully-planned development. Opinions differ as to whether the country is overbanked or not.

It has never professed to be a Gulf financial centre and has avoided some of the excesses of some of its neighbours. Qatar's 13 banks and total population of only about 220,000 compares with Kuwait's six banks and 1,300,000 population and the UAE's 50 banks and 1 million population.

Licences to open branches in Doha were granted in the late 1970s to National Bank of Abu Dhabi and Saudi Arabia's National Commercial Bank, but it is highly unlikely this will happen. However, official confidence in the sector's future is such that two more institutions have been proposed.

Part of this confidence stems from the steady growth of the banking sector in recent years, and in particular the performance of the three locally-owned banks. The newest of the three, Doha Bank, was formed in 1979 with a paid-up capital of 15m Qatari rials subscribed by Qatar Flour Mills Company, Qatar National Navigation & Transport Company, two local insurance firms and other private interests.

By the end of 1980 — its first full year of operation — the bank reported total assets/liabilities of 963m Qatari rials.

The bank's high rate of growth is remarkable in view of the aggressive competition for funds among the banks. Artificially low fixed-interest rates have led to periodic outflows of capital, attracted by higher interest rates overseas, and resulted in shortages of liquidity in the local market. Nevertheless, Doha Bank's 1981 performance lifted it into second place in the Doha league in terms of assets/liabilities.

Other large banks include Arab Bank, which has its head office in Jordan, and the United Kingdom's Grindlays Bank and the British Bank of the Middle East.

The locally-owned Commercial Bank of Qatar, established in 1975 with a 30m Qatari capital, has grown less fast than Doha Bank, although it too made ground rapidly in 1981. Its figures for April 1981 show total assets/liabilities of 454.5m Qatari rials.

All discussion of banking in Doha, however, is dominated by Qatar National Bank (QNB), which in 1981 accounted for 60 per cent of all deposits and 36 per cent of credit. Formed in 1965, the 50 per cent state-owned bank is the only local bank with offices abroad — two in London and one in Paris. QNB's assistant general manager, Qatani Masri, says the bank has been "conservative in international business because of the uncertainty of international interest rates."

After an indifferent year in 1980 when total assets/liabilities dropped by 20 per cent to 4,255.4m rials, QNB recovered in 1981 with what it terms "impressive growth" to register total assets/liabilities of 5,614.5m rials.

One of the QNB's principal roles has been that of government banker, a side of its business that the bank likes to play down. Masri says: "We are often criticised for having government funds, but in reality we do not have much more than some other banks." At least

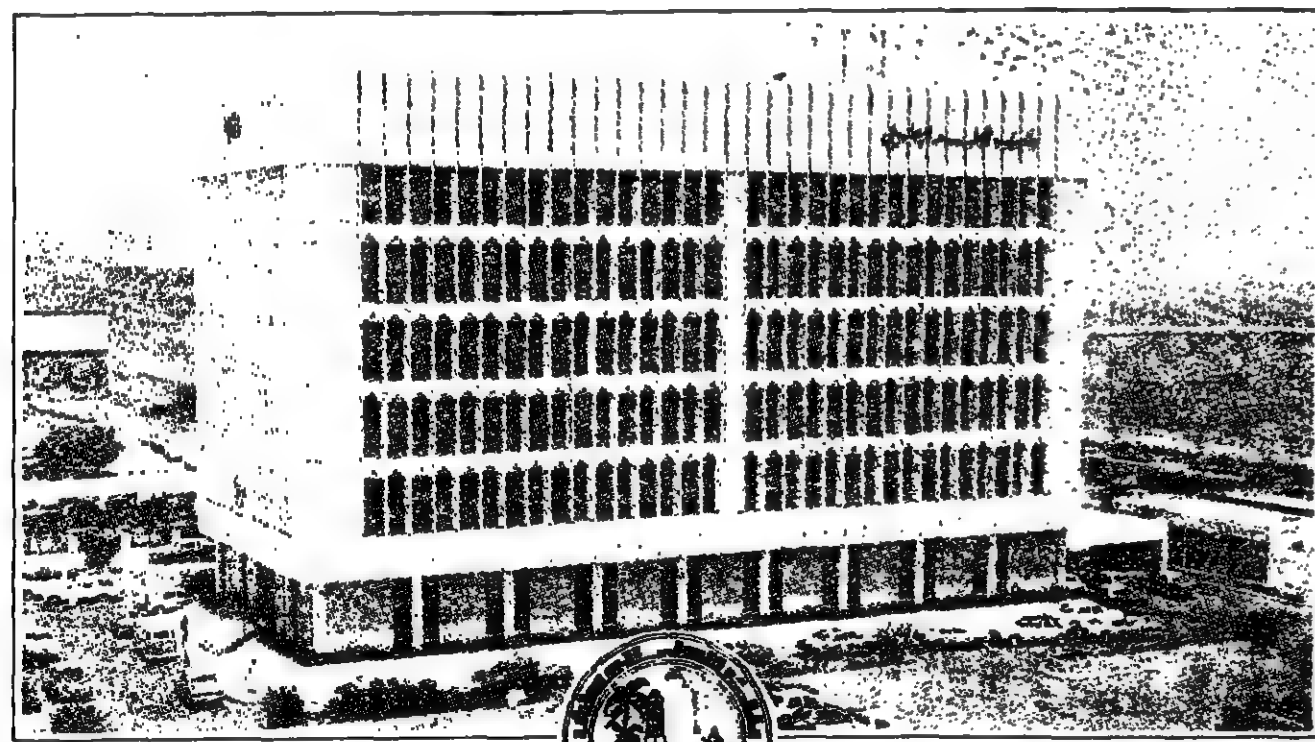
seven other banks receive government funds.

The main reason that the commercial banks handle the Government's revenues is that the state's fiscal authority, the Qatar Monetary Agency (QMA), is not yet equipped to handle them. Formed in 1972 with a total staff of six, this has now risen to about 115, a third of whom are Qataris. QMA director-general Majid al-Majid, who has campaigned for greater supervision of the financial sector, is confident his organization has stopped several malpractices by financial institutions.

Several measures have been proposed, but not yet approved, to empower QMA to tackle the drain on domestic liquidity. They include the power to require banks to have up to 20 per cent of liabilities in local liquid assets, and the start of a discount operation, giving banks access to short-term funds.

One area where the QMA has recently been flexing its muscles is the control of the finance and exchange houses. The QMA has, in the past, accused some of these establishments of overstepping their role by taking deposits and opening current and savings accounts. A law which came into effect in March gives the QMA the right to regulate the dealings of the 20 or so finance and exchange houses which account for about 500m rials of business every month.

Michael Petrie-Ritchie Middle East Economic Digest



QATAR NATIONAL BANK S.A.Q.

INCORPORATED IN QATAR WITH LIMITED LIABILITY

BIG ENOUGH TO HELP
SMALL ENOUGH TO CARE

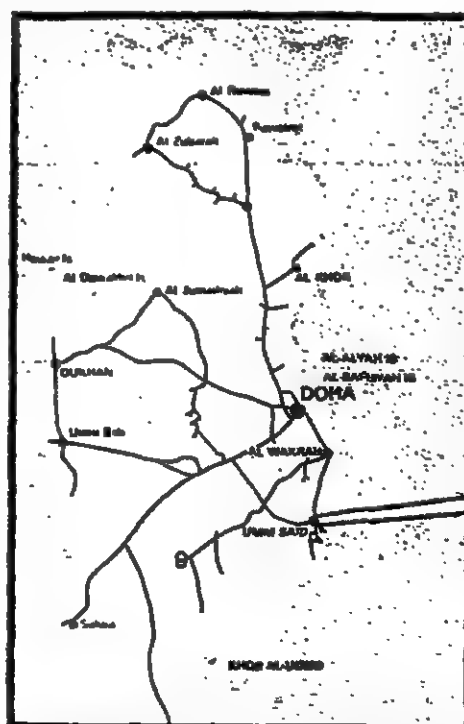
HEAD OFFICE: P.O. BOX 1002 DOHA, QATAR

London Branches:
135-141 CANNON STREET
LONDON EC4N 5AH. Tel: 01-283 3911
36 CURZON STREET
LONDON W1Y 7AF. Tel: 01-493 7411

Paris Branch:
17 AVENUE MATIGNON, 75008, PARIS, FRANCE. Tel: 395 5813

ASSOCIATED INSTITUTIONS:

Arab Jordan Investment Bank, Amman
Gulf and Occidental Investment Co., Geneva
Jordan National Bank, Amman: B.A.I.L. Paris; C.A.I.L. Paris
Banque Internationale Arabe de Tunisie, Tunis
Société d'Investissement Arabe de Tunisie, Tunis



QAFCO
MANUFACTURERS
OF
ANHYDROUS
AMMONIA
AND
UREA 46% N
FERTILISER GRADE

P.O. Box 10001
Umm Said, QATAR
Phone: 770252
Telex: 4215 QAFCD DH
Cable: QAFCO.
C.R. No. 29

الشركة القطرية العامة
للأمين وإعادة التأمين

**QATAR
GENERAL**

INSURANCE & REINSURANCE CO. (S.A.Q.)

The Leading Insurance Company
in Qatar which deals
in all classes of Insurance

HEAD OFFICE

Ras Abu Aboud Str., P.O. Box 4500, Doha-Qatar

Telephone: 417800-25450

Telex: 4742 GENINS

JASRA BRANCH

Telephone: 326314/326443

Telex: 4877 GENINS

حسابات مصرف الاموال

continued from page 1

royalties, which amounted to 25 per cent of the oil revenue, raised civil servants' salaries by 20 per cent and allocated the remainder to economic development. Not surprisingly his accession was widely acclaimed.

Like many political leaders, he promised the people reforms that would strengthen the economy and bring them prosperity. Unlike most of them he has largely fulfilled his promises, some of them beyond the wildest expectations. He was the first ruler in the Gulf to diversify away from oil: the plans for the industrial centre at Umm Said were begun in the early 1960s and included a cement factory, flour mills, prawn processing, a fertilizer plant, a steel mill, and aluminium smelter, an LNG plant and a petrochemical complex (the first in the Arab world).

He was also a pioneer in halting the wasteful flaring of natural gas associated with oil extraction, diverting it as a source of power for the new industries.

More important, each industry was first subjected to the most rigorous market analysis (a step Sheikh Khalifa considers crucial) and a careful examination of production methods and long-term prospects. Unlike the Saudi Arabian establishment, he has come to terms with the need for Western expertise and technology while maintaining traditional Islamic values. As he put it to a meeting of the Advisory Council: "Our State believes in the necessity of defining needs and assessing potentialities so that we may deal with realities, establishing the public system on these realities and not on systems created in conditions totally differing from our own or experiences alien to us."

Sheikh Khalifa does not suffer fools gladly and can tolerate neither those who waste their educational opportunities nor hasty or clumsy development. The process of national regeneration bears no resemblance to the lighting of a match which is extinguished a moment after it is struck.

At the annual opening of the Advisory Council last November he reminded members that "it is not by mere size that the quality of a state may be estimated, but by her achievement with what she has been given." In some ways it is unfortunate that Sheikh Khalifa is the leader of such a small community. Like Mr Lee Kuan Yew, Prime Minister of Singapore, his record suggests he is capable of leading a much larger nation.

G.W.

Industry

A climate fit for foreigners

Qatar recently acquired its first major manufacturing plant as a joint venture between the Hempel Group of Denmark and local and Kuwaiti interests. For Hempel it completed a chain of factories throughout the Gulf and for Qatar it provided yet another product which is now made at home. Not that Qatar needs import substitution industries in the strict sense since its status as an oil and gas exporter ensures ample liquidity of foreign exchange. More, it had been the policy of the Government, led by the Amir Shaikh Khalifa, to develop an industrial base which in times of world shortage of essential commodities would cushion Qatar against any drying up of imports.

Heavy industry is concentrated at Umm Said, 30 miles south of Doha, where Western companies have joined forces. The Government in a number of manufacturing projects which all use gas as feedstock. The Qatar Steel Company (Qasco) brings in Japan's Kobe Steel and is described by the World Bank as a "model project"; the Qatar Fertiliser Company (Qafco) involves Norway's Norsk Hydro and two British concerns while the Qatar Petrochemical Company (Qapco) is a partnership between the Government and CIP-Chemie of France.

Shortages of gas due to Opec-induced cuts in oil production have constrained production at some of the main Umm Said plants in recent months. This is because Umm Said uses associated gas — gas produced at the same time as crude oil.

Another problem has been technical difficulties with supply of gas through a pipeline from the offshore oil fields. Qapco has had to announce that a long awaited expansion of the plant, to produce high density polyethylene, has been delayed until gas shortages are resolved. Since May 1981 Mitsui of Japan has been holding a letter of intent for the \$46m expansion plan.

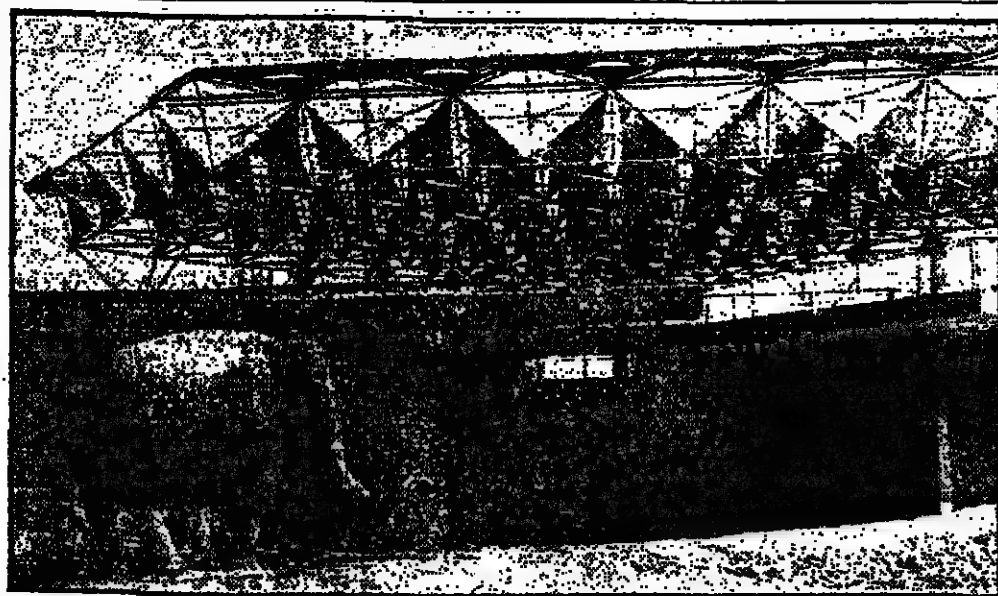
By contrast Qasco had an excellent year for steel production in 1981. Output reached 455,000 tonnes last year compared with the 330,000 tonnes nominal capacity of the direct reduction plant. This was the third successive year that production of steel exceeded the rated capacity of the plant.

The focus for industrial expansion in 1982 may switch away from Umm Said. The Doha Municipality is anxious to develop the Salwa Road industrial estate outside the city. The latest addition to it is a dairy products plant worth \$11m for which Danish expertise has been sought. The Qatar Flour Mills Company is also in the market for expansion with a proposal to raise its milling capacity from 100 tonnes a day to 400 tonnes a day.

The medium to long-term future, however, will be far more concerned with the government plans to develop a new town at Ras Laffan north of Doha. Ras Laffan is a barren area of desert north of the village of Khor where the only evidence of habitation is beach villas owned by prominent locals. By the late 1980s it will be humming with activity on the scale of Umm Said.

For Ras Laffan is to be the site of the onshore facilities linked to the plans to produce liquefied natural gas (LNG) from the North Field discovered many years ago by Shell. As a corollary to the LNG processing facilities there will be a 600 MW power station and 40 million gallon a day desalination plant. This is to be the successor to the present power and desalination station at Ras Abu Fanta south of Doha for which the consultants were Ewhank & Partners of the United Kingdom. This time, however, the project has been put under West German supervision with Fichtner expected to issue tender documents for Ras Laffan in the first half of 1982.

Big capital projects such as Ras Abu Fontas in the 1970s and Ras Laffan in the 1980s stimulate the local economy. The government hope always is that local entrepreneurs will come in on the coat tails of the schemes. The incentives for Qatari businessmen investing in local industry are attractive. If convinced that a scheme is feasible the Government will give a package including free land, a five-year tax holiday, customs exemptions on inputs and water and electricity at nominal charges. The executive organization which handles promotion of light industry is the Industrial Development Technical Centre (IDTC) whose director-general is Mohammad Said Mishal.



The new Zoological Gardens in Doha, expected to open next September, were designed by the British architects John S Bonnington Partnership, and the London Zoo has advised on the choice of animals. Canopies in the open and air conditioning in the closed areas are necessary to combat the heat and humidity of the summer months.

Consulting Service

for the Gulf

A source of resource

"The Gulf Organization for Industrial Consulting was a matter of necessity when it was set up in 1976", said its secretary-general Dr Abdulrahman Al-Mosajil. "The problem now is that it has done so much in a short time that public awareness of it has not kept pace. Many people do not know about it, even in the member states."

A non-political association of Gulf Arab countries which has its headquarters in Qatar, the basic principle of GOIC was simple. Seven states: Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Iraq, Bahrain and Oman founded this organization to share their individual knowledge and experience in industrial matters, encourage development in the region by mutual agreement and seek new fields of enterprise.

The aims of industrial development here form the antithesis of comparable government projects in most other parts of the world. There, an important reason for the project — sometimes the most important — is to provide employment. In five out of seven of these Gulf states the labour force has to be brought in from abroad and often a good many of the skilled technicians also. The maximum use of resources with minimum labour is therefore a common need.

John Whelan

Deputy Editor, Middle East Economic Digest

Business prospects

Spurt of growth from old roots

Ten years after its independence was proclaimed Qatar has definitely established its own character as a country and as a trading partner.

The potential for expanding British business connections is good. Mr John Biffen, Secretary of State for Trade, has commented on the fact that Britain supplied almost 18 per cent of Qatar's imports in 1980, a higher proportion than we can claim in any other Gulf state. But this is not a country to approach with complacency.

As many business travellers discover, it is a mistake to assume that all Gulf states are identical or all Gulf Arabs alike. Geographically and climatically the setting is similar. In the situation of rapid development into modern life, circumstances are also much the same in most of them — a small oil-rich indigenous people employing a wholly disproportionate number of expatriates in the initial work of creating a state. After that the differences are marked.

Compared with the great areas of Saudi Arabia and the UAE, Qatar is a very small country, but that is not the only reason for the difference. Bahrain is smaller still and very near, but the contrast between the thinking and way of life in these two countries is as striking as any in the whole area and has its roots in history.

Qataris are friendly and very ready to like British people and to welcome links between the two countries, which is an asset for any first time visitor from the United Kingdom.

Qataris have a strict sense of values rooted in the Islamic faith but comparable to past standards of public opinion and ethics in the West. They are also hard, practical businessmen.

Eighty per cent of the country's population lives in and around the capital Doha, but as the total population is only about 220,000 the city is still a relatively small one with a distinct community feeling.

More or less everyone in official or business circles is acquainted with everyone else, or at least knows of them. Once the newcomer or even short-term visitor is accepted in this close-knit, hospitable world much is already accomplished. Equally, giving a bad initial impression can prove a lasting handicap.

Today British firms come in for a certain amount of trenchant criticism on the scores of late deliveries and high prices. Qataris are very ready to like and cooperate with the United Kingdom but they like a bargain even more. They will almost always settle for the lowest tender even if this means that the quality of the goods is also lower.

Two things are important for any visitor to Qatar (which means to its capital Doha) and especially so for the business pioneer who hopes to sow seeds for a future harvest. One is courtesy with reliability. Arabs are frequently unpunctual and not always prompt or efficient in correspondence. Qataris, though, less prone to the latter than most, are not free from them but they very much admire and expect the old "Englishman's word is his bond" standards from the British.

Secondly the Westerner needs to understand and adopt the Arab high rating of personal contacts. Even when a firm has an efficient agent in Qatar it is still important to send a responsible executive over to establish business and then by regular visits to retain or increase it. And it should be the same person. Friendships once made are lasting.

For the newcomer to trading with Qatar two sources of factual information are the Qatar Chamber of Commerce and the British Embassy.

The Chamber of Commerce (P.O. Box 402 Doha) was established in 1963 and now has more than 300 members, regular merchants and contractors rather than minor retailers. It can supply details of the Qatar laws related to setting up a business or simply lists of local merchants.

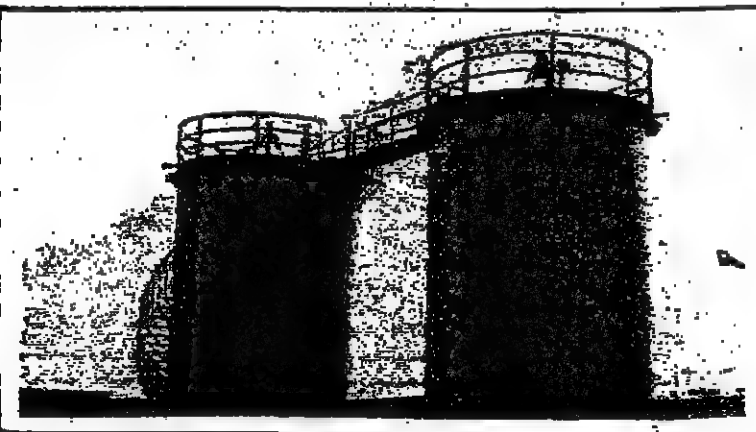
The Commercial Section of the British Embassy in Doha is also able to provide factual information and statistics as well as helpful and current advice.

No visas or sponsors are required for visitors from Britain to enter Qatar. Once there success in doing business, however, does demand some understanding of the country, its needs, aims and conventions as well as a sound marketable product and healthy, competitive approach.

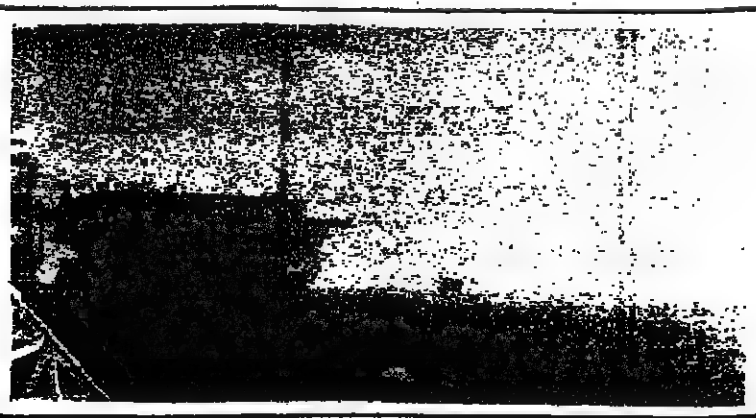
P.T.



Michael Prest



Cylindrical tanks to British Standard. Factory or on-site manufacture.



Manufacturing engineering services to the Oil, Gas and Petrochemical Industries.

MERCANTILE DIVISION

AIR CONDITIONING & REFRIGERATION DIVISION

MACHINERY DIVISION

MECHANICAL & ELECTRICAL SERVICES DIVISION

OILFIELD SERVICES DIVISION

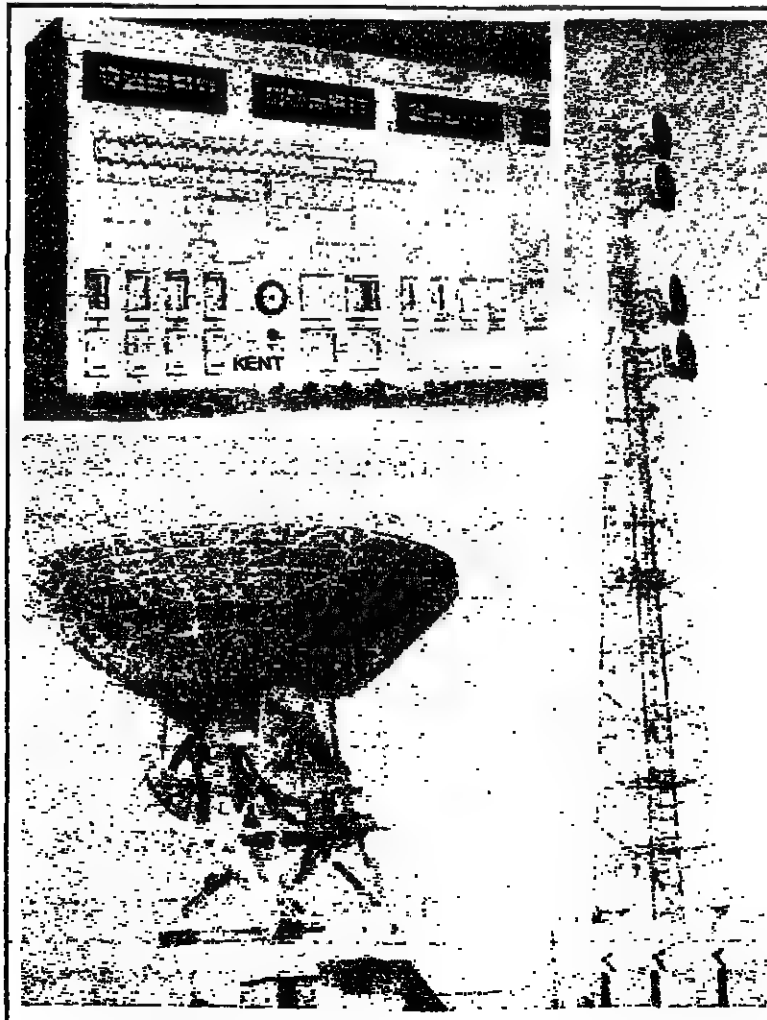
CIVIL DIVISION

CONSISTENT
ADVANCEMENT
IN LINE WITH THE
PROGRESS OF QATAR

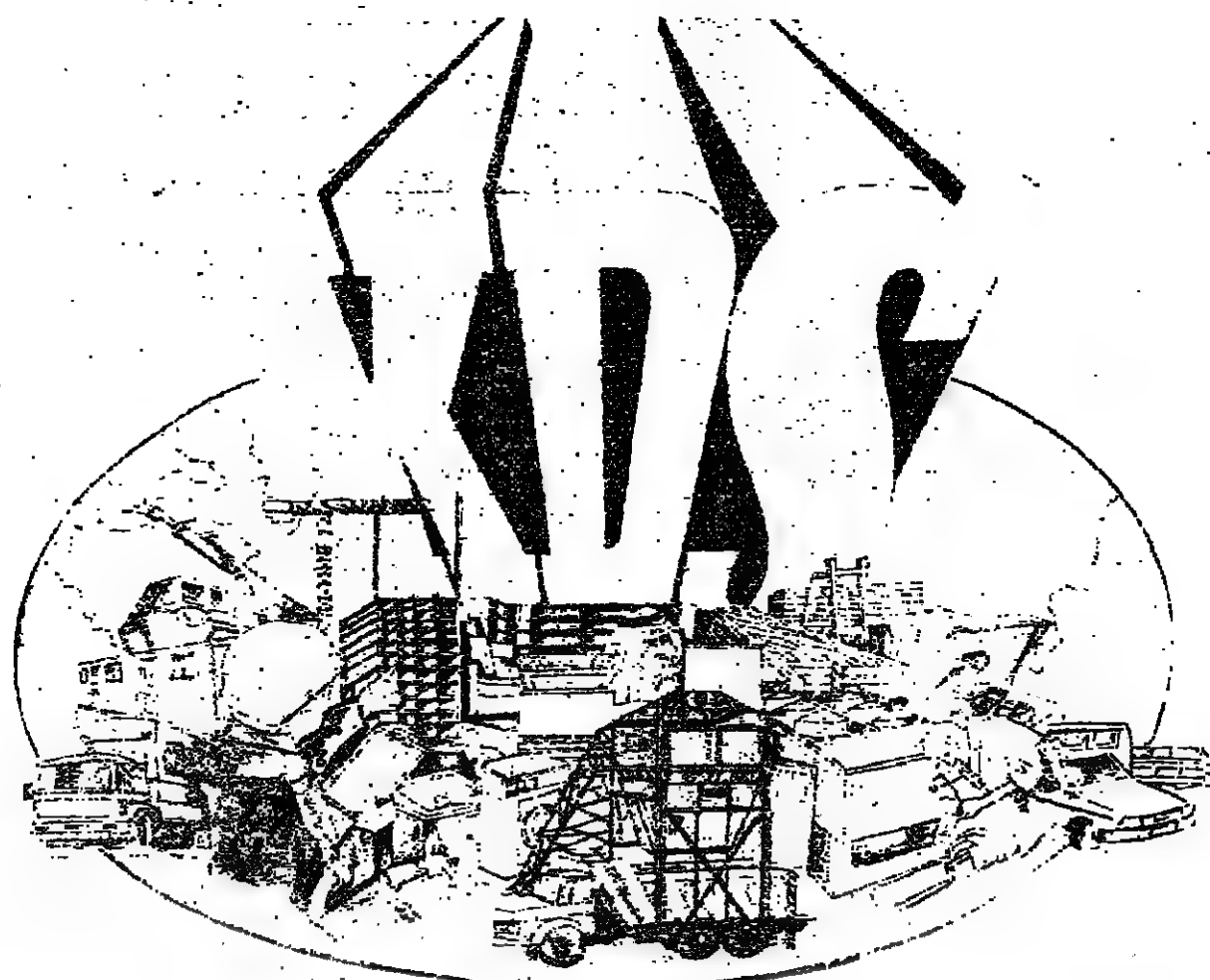
A LOCAL COMPANY WITH FULL RESOURCES, FACILITIES AND EXPERTISE
ALREADY SERVING THE CONSTANTLY INCREASING NEEDS
OF INDUSTRY IN QATAR.

PROPRIETOR
SULTAN SAIF AL EASA

ALNASR
TRADING ORGANISATION
P.O. BOX 28, DOHA, QATAR, THE GULF
TRADING GROUP
ENGINEERING GROUP



Chlorination Plant - Cumberland Engineering.
Satellite Earth Station - NEC.



THE KDS GROUP A World of Service

At KDS we have a depth of local knowledge gained by operating in the Gulf for more than half a century. In fact, KDS and Qatar developed side by side and our business expertise spans a whole spectrum of areas.

We know the RIGHT way to do business in the Gulf. Over 30 international companies know this and value KDS as their local partners. May be we can help you. Contact us - you can rely on KDS.

Al Darwish Trading Co.
P.O. Box 82 Doha
Telephone 22781 22666 22667 423154 326714

Mechanical Contracting Division
P.O. Box 3898, Doha
Telephone 426970

Mechanical Sales Division
P.O. Box 3898, Doha
Telephone 22781 23810

Electrical Division
P.O. Box 3898, Doha
Telephone 426970

Commercial Division
P.O. Box 3898, Doha
Telephone 22781 426253

OTIS Elevator Division
P.O. Box 3898, Doha
Telephone 22781 426186

Transport & Services Division
P.O. Box 3511, Doha
Telephone 22781 426886

Gulf Automobiles & Trading Co.
P.O. Box 3899, Doha
Telephone 810655-58-810629

Gulf Timber & Joinery Co.
P.O. Box 4800, Doha
Telephone 810822

Gulf Housing Co.
P.O. Box 3898, Doha
Telephone 320997-8-326943 810714

KASSEM DARWISH FAKHROO & SONS



كاسم درويش فخر و اولاد

P. O. Box 350, Doha, Qatar, Tel: 22781 (10 lines), Telex: 4298 TRADAR DH. Cables: TRADAR.

A LEADER IN QATAR... AMONG THE LEADERS IN THE WORLD



Qatar's achievements since Independence are remarkable. Equally remarkable is the quality and diversity of its leadership in Business and Industry.

TEYSEER Group is a Front Runner and, in association with International Industrial Corporations, has made its own contribution towards some of these achievements.

Perhaps more remarkable still, will be what Qatar is going to achieve in the next few years.

TEYSEER is determined to contribute to this future.

TEYSEER
Group of Companies

P.O. BOX 1558, DOHA, QATAR
TEL 321883 CABLES YOUSR TLX: 4292 YOUSF DH

TRADING & COMMERCIAL GROUP
TEYSEER TRADING & CONTRACTING CO
TEYSEER AIRCONDITIONING & REFRIGERATION CO
TEYSEER CEMENT CO
GULF INCON (Industrial consumables)
IDEAL HOME (Household Appliances)

CONSTRUCTION & MANUFACTURING GROUP
TEYSEER CONTRACTING CO
C.C.M. SERVICES
TEYSEER STONE CRUSHING CO
TEYSEER MECHANICAL & ENGINEERING CO
GULF GLASS FIBRE
ALU ARABIA ALUMINIUM & GLASS

OTHER SERVICES
QATAR PLANT HIRE
TEYSEER SERVICE CENTRE
GULF AUTO & EQUIPMENT SERVICE CENTRE
COMPUTERABIA

A boom without the bother

Doha

Qatar sticks out into the Gulf like a swollen thumb. One might think from the map that it commanded a particularly strategic point. But until the middle of the nineteenth century it hardly figured even on naval maps of the area. From the sea the peninsula lacked any decent harbour, from the land it lacked any decent water. Caravans and merchantmen passed it by.

These drawbacks have been to Doha's advantage in the 30 years since oil was discovered; generally it has been avoided by the crowds of entrepreneurs and speculators who have swarmed over other oil capitals, bringing their problems with them.

Like most cities of the Gulf, Doha began life as a fishing and pearling village, squatting on the flat shallow shore, invisible against the sand. This was "the land God forgot". The artificial pearl was created by the Japanese in the 1930s and upset the balance of survival. Fifteen years or so later, in 1949, oil was discovered by the British and readjusted the balance. Doha began to change.

Until the 1970s the change was more gradual than elsewhere in the Gulf and much of Doha is still untouched by speculative building. The Qataris are often described as reticent and cautious; so were their British advisers. The town grew haphazardly, unwilling to be trammelled by town planners' ring roads.

The village merged into the town albeit oil capital, rather than let itself be submerged, and the town remained a town. Qatar's fishing and pearling past was enshrined, more effectively than in other Gulf centres, in what is paradoxically one of the most successful modern complexes in Doha. Narrow streets, rows of craftsmen's voices and cats on corners give Doha a middle age that is missing in the more nouveau riches capitals of the Gulf.

Off-stage, however, a change of scene has been prepared over the past decade which is only now beginning to emerge. In February the tenth anniversary celebrations of the Ruler's accession marked its unveiling. Fireworks along the corniche of the reclaimed West Bay illuminated a grandiose promenade of banks and financial institutions built during this last decade, ousting their picturesque but primitive original quarters.

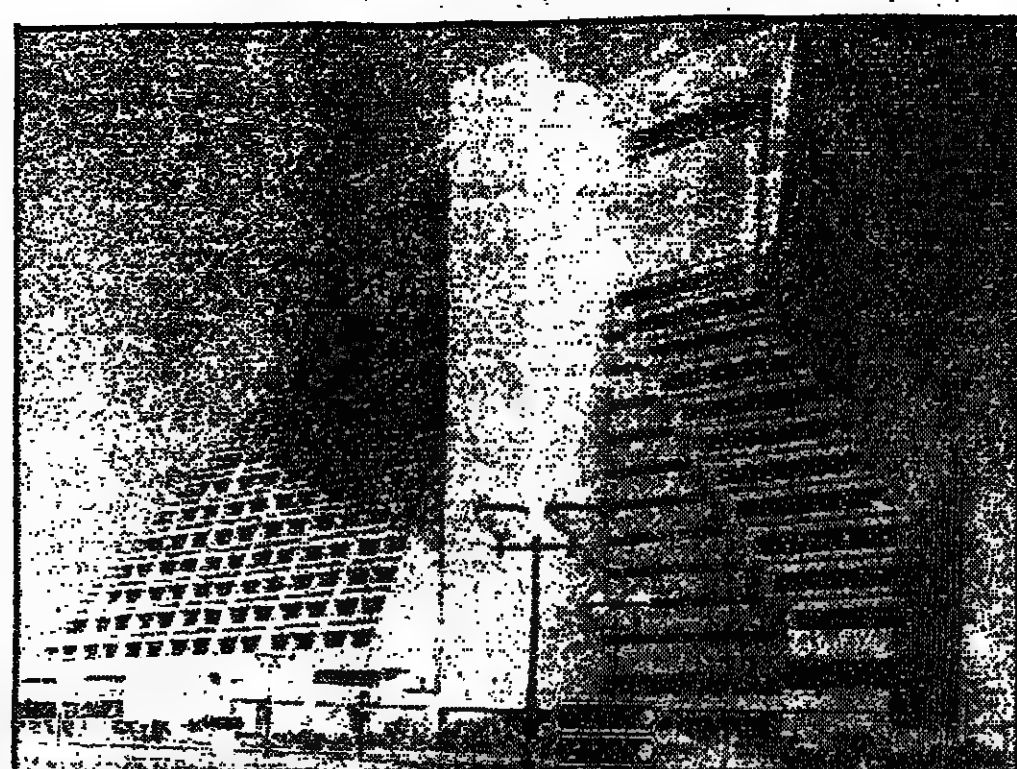
The huge stepped pyramid of the Sheraton, a 400-room hotel and adjoining conference centre, rides at anchor at the mouth of the bay on a peninsula of reclaimed land. It was inaugurated earlier this month for the conference of the organization of Arab Petroleum Exporting countries, along with the 600-bed Hamad General Hospital and the Salam shopping plaza. A new television studio complex was opened in March and soon there will be a new zoo, whose inhabitants will include some of the famous oryx which the Ruler saved from extinction.

Doha is the Ruler's brainchild, its development directed by Hisham Qaddoumi, who is in charge of the modest-sounding but ambitiously wide-ranging Technical Office in the Ruler's palace. The walls of his office are covered with drawings of leisure centres, recreational areas, relocated markets.

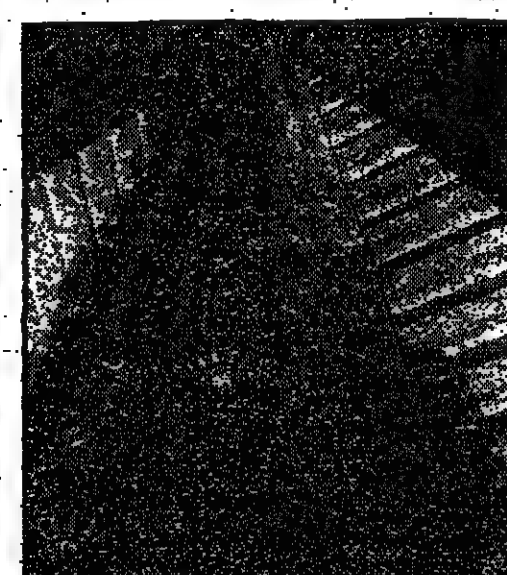
"We are not interested in instant cities," says Qaddoumi; "long-term planning remains our motto." Much of the new development is sited on reclaimed land where plots are much cheaper than in the congested city centre.

The city is being developed around various nuclei — the existing university of 3,500 students, a 470-acre recreational park on the shore to the north, the new hotel and conference centre, a shopping centre round the Salam Plaza, a ministerial complex on the corniche (in various stages of planning and development), the extended palace and so on.

The present suq area remains but will be expanded and pedestrianized; the clamour over the removal of the fruit and vegetable markets out of town (to exclude truck traffic) will lead to the relocation of smaller retail centres throughout the town. Roads within the city are seen by Mr Qaddoumi as part



The Ruler of Qatar, Shaikh Khalifa bin Hamad al-Thani, celebrated the tenth anniversary of his accession last month by opening the Doha Sheraton. This hotel and conference centre (above) — one of the most spectacular pieces of architecture in the Middle East — was designed by the Californian architects William L. Pereira Associates. (Below right): the glass lifts.



of the essential groundwork of his scheme, and he is steering the ring roads northwards to blend the old city with the new. He is only just in time for traffic is already grinding to a halt, not helped by the fact that such drastic alteration to the alignment of Doha means roadworks, roadworks and more roadworks.

Long-term planning, notwithstanding, pressure on housing has forced the government to ease building finance in that direction. Rents have risen some 30 per cent in the past year. Private housing will be left to private developers but certain areas have been set aside for government schemes for its own employees.

A township of low-cost housing, Shaikh Khalifa town, was built several years ago to the west of Doha, but the city needs more integrated low-cost complexes. The boom in construction is often interpreted as part of the general excitement over the promised development of the North Field gas reserves. This is unfair to the Qataris, although the gas was discovered only the year before

the Ruler's accession, which also marks the beginning of the present redesign of Doha.

The potential of the North Field has certainly awoken interest in Qatar, previously regarded as one of the less well off of the oil producers, and it has given the Qataris themselves a boost in confidence, symbolized by the significance of the Sheraton conference centre. It is this confidence which is apparent in the scaffolding and dust.

But economic expansion from the development of the gas reserves is still a long way off and the Qatar government neither should nor does look to it as the justification for Doha's renewal.

Urban development in the Gulf has taken some nasty knocks in recent years. It is easy enough to be wise after the event, difficult to be wise before. Too many hotels? Too much office space? Shortage of private housing? The balance is extraordinarily sensitive, and the Ruler and Mr Qaddoumi would like to avoid accusations of ill-planned extravagance.

Sarah Searight

A visitor's guide Trouble-free environment for businessmen

Qatar presents few material problems or frustrations for the business visitor. It is easy to reach, compact since the majority will be concerned only with Doha and perhaps Umm Said, 40 km to the south, and well equipped with hotels. Indeed, like some other Gulf states it already has something of a surfeit of top class hotels which is good for the visitor, keeping prices down and standards up through competition.

Doha's international airport is small and simple in comparison with some of its neighbours, but adequate and the staff are helpful. It is linked by various air services with most parts of the world from Tokyo to Belfast.

Gulf Air, Qatar's national airline (shared with the UAE, Bahrain and Oman) has daily flights to and from London, four of them non-stop, and provides comprehensive inter-Gulf as well as long-haul service. Bahrain is only a 20 minutes flight from Doha. British Airways also has a service from London three times a week.

No visas are required for holders of British passports who were born in Britain. Others can obtain a 72-hour visa at the airport if their visit has a Qatar sponsor. Holders of Israeli passports or others whose passport bears an Israeli stamp are not admitted.

The only inoculation required by the Qatar authorities is for cholera. Medical advice in Britain also recommends immunization against typhoid and polio, and anti-malarial tablets.

The airport is conveniently close to the city and traffic conditions being rather easier than in some other Gulf capitals one can normally reckon to reach Doha hotels

from the airport, or to drive from one part of the town to another in 15 to 20 minutes.

Doha's hotels fall naturally into two groups: luxury and near luxury, and others. In the first the Gulf Hotel is still the well-established classic venue which has long been used for official guests and functions and is a social meeting place. It is on the sea, close to town and airport and the standard of both food and service is excellent and has risen markedly in the past three years. Bedrooms are large with typical five-star amenities. Single rate without breakfast is from 285 rials.

The hotel has its own yacht marina and beach as well as swimming pool, and a pleasant feature is afternoon tea on the mezzanine floor.

The Ramada, opened in 1979, is 10 km from the centre of Doha, in the Salwa Road district, near the embassy offering international five-star quality standards, with special business and secretarial services as well as sports facilities. Room rates are from 330 rials, including breakfast.

There are three restaurants. Maxims is the luxury one, open only in the evenings with excellent international food and service and live music — pianist or small ensemble. The Lolua restaurant offers an executive table d'hôte lunch with accent on fish, and is also available for private receptions.

Newest of Doha's hotels is the Sheraton, officially opened a few weeks ago. This is an ultra-modern pyramid at the far northern end of the corniche (the opposite end of the bay to the Gulf Hotel), and with 430 rooms and full

conference centre will present substantial extra competition for the other hotels. The single room rate is from 300 rials.

The Oasis stands beside the Gulf Hotel and offers good value at a lower price level: from 245 rials. This was Doha's first major hotel, built in 1958 but now fully modernized. It has well equipped, comfortable bedrooms, two cafeteria restaurants, a banqueting room for special functions, beach and swimming pool and

accommodation for medium-sized conferences.

Other hotels can be grouped as European two-star standard.

For Arab food go to Al Majlis where most of the meats are barbecued and there is a good range of the Lebanese type hors d'oeuvres. Prices are reasonable. A coffee house next door has delicious cakes and is owned by the same company.

Penelope Turing



بنك الدوحة المحدود
(الاسم في اللغة العربية)

DOHA BANK LIMITED
(INCORPORATED IN THE STATE OF QATAR)

Doha Bank Limited, a Qatari shareholding company incorporated in the State of Qatar, offers you personalised, efficient and comprehensive commercial banking and advisory services through their efficient management team in Doha and a network of foreign correspondents worldwide.

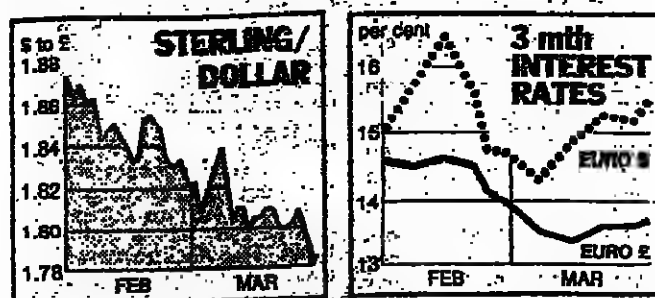
Doha Bank Limited — a dynamic, growing bank

HEAD OFFICE AND MAIN BRANCH
P.O. Box No. 3818, Doha, Qatar.
Tel: 321102/3/4
Telex: 4534 DOHBNK, 4882 DBLFEX
Cable: DOHABANK

MUSHAIREB STREET, DOHA BRANCH
P.O. Box No. 2822, Doha, Qatar.
Tel: 327804/5
Telex: 4825 DBLMSB

BUSINESS NEWS

Sterling steadier



The pound was much firmer against the dollar yesterday in quiet trading. It closed a net 25 points up at \$1.7825, though its index against a basket of currencies was 0.1 easier at 90.8. The dollar, still buoyed by firm interest rates, failed to hold on to early strength which lifted it to DM2.42, before profit-taking left it a net 20 points lower at DM2.4115. The dollar was also softer against the yen after Japanese central bank intervention, but gained against the Swiss franc after further cuts in Swiss bank deposit rates.

Clore ruling next week

The Appeal Court hearing over the £15m claimed by the Inland Revenue on the estate of the late Sir Charles Clore is now expected to continue until Thursday. It is understood that judgment will be transferred to a Jersey-based company, Style Investments, which then sold off the assets to Confidential Assurance. The receipts, amounting to £20.5m, were immediately banked in Jersey.

Mexico could cut oil price

Mexico, a leading non-Opec oil producer, said yesterday it had not ruled out a further cut in its oil prices next month. This would put more pressure on Opec's fragile attempt to hold levels around a \$34-a-barrel reference price. Mobil, Shell and Gulf, the leading producers in Nigeria, said they had not been told of any move by Saudi Arabia to impose sanctions, despite the expiry of the reported deadline for companies to increase liftings from Nigeria. *Petroleum Intelligence Weekly*, the industry newsletter, said Opec's high prices could cost the four operating companies in Saudi Arabia—Exxon, Mobil, Texaco and Chevron—\$1,800m (£1,000m) in losses over the next three months.

EEC withdrawal threat to jobs

Withdrawal of the United Kingdom from the European Community could threaten many of the 2.5 million jobs which are linked directly and indirectly to Britain's trade with Europe, Sir Raymond Penneck, president of the Confederation of British Industry warned in Sheffield last night. The warning comes in a new survey in which one-third of those questioned were in favour of leaving the European community.

South Wales tour

A Japanese businessmen start a two-day tour of South Wales today, organized by the Development Corporation for Wales and the Japanese Chamber of Commerce and Industry in the United Kingdom. The corporation hopes for more Japanese investment in the region, which has already attracted the heaviest concentration of Japanese manufacturing in Britain, and possibly Europe.

Department of Trade officials are continuing to investigate exporters' complaints over differences in freight rates.

MARKET SUMMARY

Trading news lifts gloom

LONDON EXCHANGE

FT Index 562.3 up 7.2
FT All Share 323.31 up 2.85
BARGAINS 23,039

A crop of healthy trading news and optimistic words from the Governor of the Bank of England on Monday evening on inflation lifted the gloom from the market as the FT index rose steadily to close up 7.2 at 562.3.

But it was not all glad tidings, with Cape Industries plunging 33p to 190p after a 56p per cent slump in profits to 22.2m pence and a slashed dividend. The Rickitt & Colman set the tone for companies reporting with the shares up 6p to 294p after a 25 per cent rise in profits, while British Aerospace put on a 15p rise on satisfactory trading news.

A dawn raid on book publisher Richard Jack pushed the shares up 20p to 66p but left Mr Robert Maxwell's BPC with only a 5.7 per cent of the equity instead of the 14.9 per cent he had hoped for, as another buyer appeared in the market.

Engineering group Babcock & Wilcox rose 10p to 200p after a 5.7 per cent rise in profits to 20.2m pence, while the group was planning to bid for Merrydown, the only other quoted cider maker. The real reason appears to be a bear squeeze.

Both firms are largely family controlled. A Merrydown spokesman also dismissed the rumours, saying that there had been no takeover and that the family shareholding would not be involved in selling. Merrydown put on 5p to 72p.

Sengera shares were unchanged at 51p after a 56p per cent rise in profits to 22.2m pence and a slashed dividend.

An 18.3 per cent jump in profits pushed Spirax Sarco up 5p to 144p, while a one-for-two scrip and profit rise to expectations gave a 10p boost to Standard Chartered at 664p.

Oil was a firm feature with Laseco up 78p to 310p, while Petroleum 22p better at 106p on suggestions of a bid from Laseco, and BP 4p ahead at 285p.

Manchester motor dealer H & J Quick managed to raise its final dividend despite a pre-tax loss of £1,000 on sales of £179.6m, but the shares were unchanged at 45p.

Gareth David

COMMODITIES

● Tin prices eased after their modest recovery on Monday, partly because the International Tin Council meeting was again adjourned without a decision on export controls. Cash tin ended the day 266 lower at £6,980 a tonne, while three months metal fell by 507 to £7,175. Consumer members of the tin agreement appeared better disposed towards a new proposal that tin which might have fallen under export controls, should instead be lent to the buffer stock.

● Cocoa was influenced by the latest monthly report from the C&G & Duffus which forecast a 1981-2 surplus of 81,000 tonnes from production of 1.7 million tonnes. The March contract fell 227 to £985 a tonne, and May lost 224 to close at £986. C&G & Duffus said that the cocoa agreement's bottom intervention price of 106 cents a pound was no longer a realistic short term target.

TODAY

Interim: A. B. Electronics Products, Castlefield (Kang) Rubber Estates, Minerals Oil and Resources, Park Place Investments, W. Tyndall and Turner. Final: Babcock International, Bowthorpe, British Mohair, Bunzi Pulp and Paper (to become Bunzi plc), Croda International, Dinkie Real, Dorada Holdings (AMD), Guardian Royal Exchange Assurance, Jamieson, Clapcoates, Legal and General Group, Manolia Group, Molins, Sikolene Lubricants (AMD), Weir Group, Wilkinson Warburton.

OTHER EXCHANGES

Tokyo: Nikkei Dow Jones Index 7,193.83 down 5.33
Hongkong: Hang Sing Index 1,167.18 down 7.56

CURRENCIES

● Most currencies traded narrowly in quiet trading. The dollar, initially firmer, eased later on profit-taking.

LONDON CLOSE

STERLING
\$1.7825 up 25 points
Index 90.8 down 0.1
DM 4.3050

YEN 438.50

DOLLAR

Index 115.9 down 0.3
DM 2.4115 down 20pts
GOLD \$325.75 up \$8.75

MONEY MARKETS

● Period rates were slightly firmer but short term rates eased as the market moved into surplus. The Bank, having forecast a surplus of £100m, sold £41m of bills, redeemable today, at rates of 12½-13%. Domestic rates: Base rates 13%, 3 month interbank 13½-14%, Euro-currency rates: 3 month dollar 15½-16%, 3 month DM 9½-9¾, 3 month Fr 25-24

Rise in unemployment lifts productivity

By Melvyn Westlake

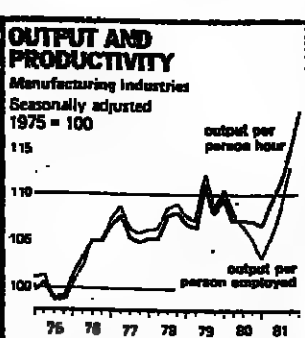
As jobs in manufacturing industry disappeared last year, the remaining employees worked much harder, producing a dramatic boost to productivity.

Output per person leaped 10.2 per cent between the last quarter of 1980 and the last quarter of 1981, according to the latest *Employment Gazette*, published by the Department of Employment.

The rise in productivity has been one of the few bright spots in manufacturing industry, where output is still a long way below the 1979 peak and where 1¼ million jobs have vanished in just over two years.

Government ministers have welcomed the big improvement in productivity as an indication that the labour shake-out is producing beneficial results, opening the way to more rapid economic expansion in the future.

The latest figures show that productivity continued to improve in the last three



months of 1981, increasing a further 1 per cent. This was rather slower than the rate of productivity growth in the second and third quarters. Two measures are used.

One is output per person; the other is amount of output achieved by a person in one hour. The latter measure has increased a little more slowly than the former over the last year, increasing by 8.3 per cent (compared with 10.2 per cent).

This is because short-time working has been decreasing and overtime working has

been rising, leading to an increase in the average number of hours worked. Last year's improvement in productivity reflects the fact that the level of output stopped falling, but the number of jobs in manufacturing was still declining.

The productivity gains in 1981 more than reverse the decline that took place in the second half of 1979 and during 1980 when output was falling faster but jobs were vanishing even more rapidly.

Output per head is now 3½ per cent above its start of the recession peak while output per person per hour is 6½ per cent above its previous peak.

There is a good deal of argument amongst economists about whether this improvement represents just a sharp short-term recovery or the beginning of a long term trend.

The Treasury believes that it may be part of a long-term trend. In the past, the initial gains in productivity that occurred when the economy turned up, soon tapered off.

No sign of an end to US recession

From Bailey Morris

The United States index of leading economic indicators declined for the tenth consecutive month in February, giving no sign that the severe recession has ended.

The Commerce Department reported today that five of the nine indicators in the index last month were unfavourable and four favourable, resulting in an overall drop of 0.3 per cent.

A department economist said the February results were something of a mixed blessing, showing that the United States economy is still declining but is near the bottom.

Private Wall Street opinion forecast that the economy is likely to hit bottom with the March figures before beginning a modest climb. Continuing high interest rates continue to be the major uncertainty behind the recovery projections.

Commerce Department officials said the rate of

Washington, March 30

change in total liquid assets or spendable income was the most unfavourable February indicator.

Also contributing to the decline were lower stock prices, a drop in building permits after two months of increases and continuing slide in the industrial sector which showed up in lower plant and equipment orders and crude material prices.

The favourable indicators last month included a slight increase in the money supply, increased manufacturing orders, a big drop in initial unemployment claims and slower sales performance.

A Commerce Department spokesman said declining indicators last month reflected continuing sluggishness in industrial production which accounts for one-third of the total United States economy and therefore exerts great influence on the index, considered the best signal of meaningful change in the economy.

£20m boost for small companies

By Rupert Morris

The Government will pay a third of the cost of advanced machinery bought by small engineering companies under a scheme introduced yesterday by Mr John MacGregor, Under-Secretary of State for Industry.

In an effort to re-quip the recession-ravaged engineering industry, centred on the West Midlands, £20m has been set aside for one year.

Applications for grant under the Small Engineering Firms Investment Scheme are confined to firms employing fewer than 200 people, and wishing to buy machinery costing between £15,000 and £200,000.

Mr MacGregor emphasised yesterday that the level of grant was particularly generous in recognition of the plight of small engineering firms. He hoped it would also provide a boost for the British machine tool industry. Similar schemes operated successfully in France and West Germany, he said.

More ship orders go to Japan

By Peter Hill

Japanese shipyards claimed 71 per cent of all new orders placed with shipbuilding in member countries of the Organization for Economic Cooperation and Development last year, securing slightly more than 10 million tonnes gross of the 14.1 million tonnes placed.

The Japanese share of orders has been a source of some bitterness among European shipbuilders for several years and has led to serious confrontations at meetings of the OECD's shipbuilding committee.

According to the latest figures, exports among members of the OECD fell by 6 per cent last year, with Japanese ship exports dropping by 16 per cent on year earlier levels.

Figures published yesterday by Lloyd's Register of Shipping showed that the tonnage of merchant tonnage completed around the world last year rose by almost 4 million tonnes gross to 16.9 million tonnes.

Gareth David

Banks fear tax credit changes

By Peter Wilson-Smith

The British Bankers' Association has written to Sir Geoffrey Howe, the Chancellor, expressing fears over proposed Budget changes on tax credits available on certain overseas loans.

Mr John Reynolds, chairman of the association's fiscal committee which met yesterday said: "These are changes which could destroy our competitive position."

He said there was no real reason to change the present system, but if it was changed, it was important to ensure that banks in Britain were not put at a disadvantage to overseas competitors.

At present, banks operating in the United Kingdom can in some cases claim tax credits against corporation tax as offsets against withholding tax abroad, even though the withholding tax may not be paid. The system, which arises under some double taxation treaties, enables banks to charge finer rates on loans in countries such as Malaysia, South Korea and Brazil.



John MacGregor: 'Generous'

Coming on top of existing grant schemes, the new arrangement would make it possible for a firm in a special development area to claim grants of up to 48 per cent with a maximum of £100,000.

The scheme was warmly welcomed by Mr Terry Duffy, Amalgamated Union of Engineering Workers president. Col Robert Scott, director-general of the Engineering Industries Association, representing 4,500 small firms, said he hoped 20 per cent of eligible firms would apply, although even then he warned that many would not be able to raise the remaining capital.

MINISTER FAVOURS PRIVATIZATION

Technology centre may be sold

The Government is investigating the possibility of selling off its computer aided design centre at Cambridge despite expectations that such government-funded centres would play a vital role in promoting new technology.

Mr Kenneth Baker, Minister of State for Industry and Information Technology outlined the Government's policy at the CAD conference in Brighton yesterday.

The decision to privatize the centre is based on the belief that the establishment could be run on a more commercial basis.

The minister said: "In 1969 the Government set up the centre to promote the use of CAD/CAM (computer aided manufacturing) techniques in British industry. Since then this has been successful in a number of key areas, notably in CAD for the process industries and computer-aided engineering for manufacturing. Given this success I think that the time is now right for Cadcentre to operate as a fully commercial organisation."

The centre costs £4m a year to run but generates nearly £2m from consultancy



Kenneth Baker: Success in key areas

work. Only six of the 150 staff at the centre are employed directly by the Government while the remainder are provided by ICL. Although the Government has two schemes in progress with joint budgets of £15m to promote technology, the centre was expected to play a central role in advancing the science in the United Kingdom.

A report prepared two years ago for the Cabinet Office by the Advisory Council for Applied Research and Development (ACARD) also indicated that the work of the centre in Cambridge would

play a big part in developing the technology for use in British industry.

The Government did not form a new centre but appointed Dr Paul Freeman as director of both the National Engineering Laboratory and Cadcentre.

The ACARD report highlighted the importance of the technology and its use in mechanical engineering, electrical engineering, electronics, aerospace, the chemical industry, marine engineering and the construction industry. The authors of the report were in no doubt that Britain lacked experience.

"While our survey was not exhaustive it is clear that at least some of this country's main competitors in export markets — notably West Germany, Japan and the United States — have substantial government-supported research, development and application programmes already in existence."

The ACARD report also emphasized that: "To keep its advice up-to-date the Department of Industry should maintain a close watch on developments overseas, if necessary by retaining specialist consultants for the task."



Sir Austin Pearce: £50.5m launch costs for the new 146.

British Aerospace profits hit by Laker Airways collapse

By Edward Townsend, Industrial correspondent

British Aerospace yesterday announced a pre-tax profit of £70.6m for last year, an increase of almost £18m on 1980, but warned that a further 2,000 job losses may be necessary this year.

Sir Austin Pearce, the chairman, disclosed that the company's profits were hit by a provision of £8m set up after the collapse of Laker Airways to cover BA's guarantees on the sale to Laker of three Airbus A300 aircraft.

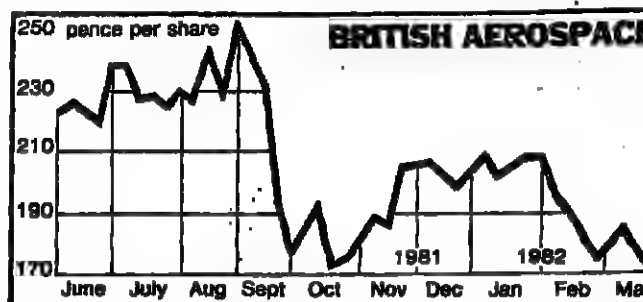
British Aerospace and Aerospatiale of France, two of the partners in Airbus Industrie, agreed to accept a 25 per cent first loss guarantee on the sale of the aircraft, but Sir Austin said that if the Laker Airbus were sold at 90 per cent of their purchase price the loss would be reduced considerably.

The results, the first since the successful privatization of the group a year ago, show that sales last year increased by 17 per cent to £1,662m. Sir Austin said the company had two years' work in hand and further orders were imminent for the Hawk military trainer aircraft, the 748 feeder airliner and the Sea Harrier fighter.

However, the group had been affected by the recession in the world airline business which had hit sales of civil aircraft and by a slowdown in military sales including the Tornados wing aircraft and some of the company's missiles. Because of the recession, the rate of build up of Airbus sales would be slower, Sir Austin said.

Sales of the new British Aerospace 146 feeder jet had been disappointing and airlines were being "coy". The 146 had generated 10 sales and 12 options and performance tests on noise levels and fuel efficiency had shown better than expected results. "Now we have got to sell it," the chairman said.

British Aerospace now employs 79,000 at more than 20 plants and last week announced that 1,200 workers would be made redundant in the next 12 months, the bulk of them at present engaged in repair and maintenance work for the Royal Air Force. Sir Austin said yesterday that while no more redundancies were planned,



of civil aircraft and by a slowdown in military sales including the Tornados wing aircraft and some of the company's missiles. Because of the recession, the rate of build up of Airbus sales would be slower, Sir Austin said.

Sales of the new British Aerospace 146 feeder jet had been disappointing and airlines were being "coy". The 146 had generated 10 sales and 12 options and performance tests on noise levels and fuel efficiency had shown better than expected results. "Now we have got to sell it," the chairman said.

British Aerospace now employs 79,000 at more than 20 plants and last week announced that 1,200 workers would be made redundant in the next 12 months, the bulk of them at present engaged in repair and maintenance work for the Royal Air Force. Sir Austin said yesterday that while no more redundancies were planned,

productivity needed to be improved and up to 2,000 jobs would be lost by natural wastage.

The company said that after a thorough review of new civil aircraft projects it had decided to write off launching costs of £50.5m in 1981 covering design and development work on the 146, the Airbus and the new Jetstream turbo prop aircraft, with a further £100.5m carried forward. The British Aerospace trading profit for last year, before launch costs and interest was £95m, 3 per cent higher than the previous year.

The company is proposing a final dividend of 4.8p per 50p share.

Business Editor, page 15

Petition on Gill payoff amended

By David Johnston

Associated Communications Corporation shareholders were allowed by a High Court yesterday to amend their petition challenging the record £560,000 golden handshake proposed for Mr Jack Gill, the property and entertainment group's former managing director. But Mr Justice Mervyn Davies disallowed a further five proposed amendments, claiming unauthorised extravagant living at the company's expense — after objections by the company and Mr Gill.

The shareholders, led by Postfund Nominees, the Post Office staff pension fund, were given until Monday to make acceptable substitutions for the deletions to the petition alleging that the company's affairs had been conducted in a manner unfairly prejudicial to them. The judges also gave them leave to appeal his decision.

Mr Reg Pycroft, managing director of Jetset, the East Grinstead tour operator, 85 per cent owned by ACC, said yesterday he would be pursuing his proposal to buy back Jetset as soon as possible.

DOUBTS ON EEC LOANS

By George Clark

Witnesses from the British Bankers' Association told the Lords Committee on the European Communities yesterday that they doubted whether EEC lending facilities now really serve a useful purpose in the United Kingdom.

They pointed out that, since 1973, the European Investment Bank has made direct loans to the United Kingdom private sector of only £240m.

"Lending by the EIB is for a wider range of purposes, but is confined in general to projects in the assisted areas... and its potential market is likely to contract considerably through the redefinition of the assisted areas on August 1", the bankers said.

"It could contract still further if Devon, Cornwall and Humberside are excluded from the scope of the Community's regional development policy, as has been proposed."

The benefits of the Treasury exchange cover scheme had already been lessened by the narrowing differential between sterling interest rates and overseas rates.

First National Securities Base rate

First National Securities Limited announces that with effect from 1st April 1982 its base rate for lending will be reduced to 15½%.

First National Securities Ltd, First National House, College Road, Harrow, Middlesex HA1 1PB. Telephone: 01-861-1313.

BRITISH AEROSPACE

Results for 1981

Extract from preliminary announcement of results for 1981, based on audited accounts for the year to 31st December, 1981.

	1981	1980
	£m	£m
Sales	1662	1423
Trading profit	95	92
Launch costs written off	50	54
Net interest receivable	25	14
Profit before tax	71	53
Earnings per share (nil basis)	35.5p	33.5p
	£m	£m
Order book	3891	3497

The report and accounts for 1981 will be posted to shareholders before the end of April.



BUSINESS NEWS/COMPANIES AND MARKET REPORTS

Reckitt and Colman shrugs off the recession

Supplying the demand that never fades

Many company chairmen must wish they were in Sir James Cleminson's shoes. As chairman of Reckitt and Colman, where pretax profits rose from £53.2m to £66.35m for the year to last December, Sir James was able to say yesterday that Reckitt was not trading in depressed sectors of the economy. (Drew Johnston writes).

"Most of the groups products are of the kind people continue to buy even when times are difficult," he said.

The solid profits performance has been helped along by favourable currency movement. Excluding south America, reported profits in 1979 and 1980 went down by nearly £3m because of the relative strength of sterling. But last year, with sterling weakening against most other currencies, the pretax benefited by £1.82m.

Reckitt had fought to increase sales by spending more on marketing. This increased spending was found from cost savings

and increased production, and led to a 13.6 per cent total sales increase, up from £728m to £827m last year.

The United Kingdom performance contributed a good part of the profit increase in the year. Happily for the company, this coincided with a lower than average tax charge as a £12m capital expenditure programme, which included modernization and rebuilding of the plants at Hull and Norwich, helped to keep the tax bite down.

On a current cost basis, the profits before tax were up from £32.4m to £45.2m. This is 68 per cent of historical pretax profit, an increase on last year's proportion of 61 per cent. Current cost earnings attributable to ordinary shareholders of 15p a share give a cover slightly over 1.5 times on dividends. These have been increased for the year from 8.5p to 9.8p — 14p gross — and gives a yield of 4.7 per cent on yesterday's ordinary share price of around 256p.

This in turn gives the shares a fully taxed rating of around 11.8. Analysts are going for a pretax between £70m and £73 this year.

In North America, the food business increased sales and profits, again partly as a result of



Sir James Cleminson: solid performance

changes in management during the year are expected to result in improvements. Generally, Reckitt is looking to move strongly into the household goods market in the United States, where it is now under-represented.

United Kingdom remained reluctant to invest in out of season stocks because of high interest rates. The normal level of sales for the last quarter was not maintained as mild weather in October and November and falling expectations of a recovery in consumer demand took their toll. The severe weather in December, however, was too late to affect results and any upturn in demand was satisfied by trade stocks.

Exports now contribute 24 per cent of turnover and group sales in the period slumped to £8.9m from £11.2m. At the trading level profits were hit by higher interest charges and redundancy costs. The loss per share comes out at 1.37p against earnings of 6.7p last time.

Sales overseas grow steadily in The Netherlands, Belgium and South Africa. Italy is the next area for examination with stencil products to be made for a leading manufacturer. In Australia a licensing agreement is being pursued.

Dreamland believes that with the cost controls of the last 18 months, together with its brand leadership, a return to profits is not far off.

DREAMLAND

Fall into red

Depressed demand in Britain for electric blankets pushed Dreamland Electrical Appliances into the red last year despite a rise in exports.

The group, Europe's largest manufacturer of electric blankets, lost £252,000 before tax last year, compared with pretax profits the year before of £827,000. The final dividend has been passed, leaving the year's payment at 0.7p gross against 2.42p gross and the shares slipped 5p to 18p. Half-year losses were £793,000 and not unexpected because of the seasonal nature of sales.

Trade customers in the

BOOKER MCCONNELL

Payout up as profits recover

After a decline in profits at the halfway stage Booker McConnell, the diversified engineering, foods and shipping group, raised pretax profits by 14 per cent to £17.3m in the year to December, on turnover up from £84m to £93.3m.

Losses in the group's engineering division were cut from £1.3m to £900,000 and despite continuing problems at Fletcher and Stewart, Mr Michael Caine, chairman, said he expected to see the division back in profit this year. But the bulk of the group's £6m closure costs came from that division.

There has been a 20 per cent cut in the workforce of the engineering division from 4,500 to about 3,500, with a further 100 job losses shortly at Fletcher and Stewart.

A strong second half recovery in the shipping division after first half losses of £396,000 due largely to the

seamen's strike produced profits of £100,000 against £1.4m, although the recession in Caribbean trade continues to make the outlook uncertain.

The food distribution division benefited from past rationalization with profits up by 42 per cent to £5.96m despite depressed consumer demand while the agriculture division boosted profits by 52 per cent to £1.97m helped by the successes of the Ibec and Arbor Acres subsidiaries.

The final dividend is being raised from 2.66p gross to 3.02p, making an increase of 12 per cent to 4.97p for the year. Earnings per share were 10.2p against 9.48p.

Mr Caine said the group had been encouraged by the performance of a number of divisions and expected the improvement to continue in 1982. In addition to the closure and rationalization costs of £6m, there were above the line redundancy costs of £1.2m, against £846,000. Mr Caine did not rule out further cuts.

The extraordinary items included £1.22m in respect of deficits on disposal of investments, half of which was accounted for by the disposal of a former subsidiary in Malawi, in line with the

APV dips but pays more

Engineering contractors positively boomed in the stock market last year: but with international interest rates being led steeply upwards by the United States, those days are history (Sally White writes). APV has kept up its dividend record of paying a little more yet again but the pretax profits are down from £18.6m to £16.4m.

Mr Harry Benson, APV's chairman warned the half-way stage that no short-term British recovery was in sight and that in the United States, demand for capital goods was falling. Overseas profits were maintained at £10.6m but the profits at home were down by £2.2m for the year.

Outstanding performances from the South African companies give little excitement for 1982 prospects, as South African interest rates are on an upward trend, adding to the existing problems of the falling gold price.

APV is able to increase the dividend because of the strength of the cover — it remains at 2.8 times on an historic basis and is also covered on a CCA basis. The dividend payment is a final of 6.8p, making 9.6p, against 9p; earnings per share are down from 40.49p to 37.27p.

Analysts seem to be going for £18m for the present year, which would make for a virtually unchanged rating

"Orders received in the first two months of 1982 show an improvement over 1981, but we do not expect any dramatic increase this year, Mr Benson says. "In the United Kingdom the prospects for sales to the brewery, marine and chemical industries remain depressed, but there are signs of improved business coming from our food and dairy customers".

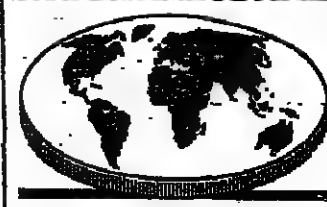
Over the past couple of years APV has cut back staff in Britain by 25 per cent. Rationalization this year cost around £863,000.

Robert Maxwell's British Printing and Communication Corporation made a dawn raid on book printer and binder Richard Clay yesterday. Grierson, Grant (the broker he used for his dawn raid on BPC) failed to obtain the 14.99 per cent of the company it wanted, but did manage to buy 5.87 per cent.

Mr Maxwell's objective, according to the announcement, is merely to acquire the stake for investment purposes; he told Richard Clay the same, although the company was still understandably a little nervous immediately after the event.

The price offered was 65p ex-dividend but, given Clay's assets per share of 153p, there was competition in the market to buy any shares on offer, taking the price up to 67p. Only last week Clay announced figures that indicated it had turned the corner. There was a pre-tax loss of £945,000 for the year, after a profit of £581,000, but exceptional debits were £787,000, and the group is trading profitably this year.

INTERNATIONAL



JAPAN

Japan's steel exports fell 2.3 per cent in February from February 1981 to 2.2 million metric tons on a shipment basis. The decline continued a steady year-on-year fall for Japan's steel exports, hurt by weak economies abroad and increasing competition from rising steelmaking countries such as South Korea. In 1981, Japan's steel exports fell 4.4 per cent from 1980.

● Tokyo plans to promote cooperation with the United States in high-technology research to help ease trade friction. Under a plan drafted by the Ministry of International Trade and Industry, Japan would allow United States concerns to take part in government-backed projects.

● Production at Japan's mines and factories went up 3.3 per cent in February from a year before, mainly because of continuously strong output of electronic consumer products. The mining and industrial production index stood at 144.5 in the month (1975=100). The pace of increase, however, was a little slower than a revised 3.5 per cent in January.

CANADA

Gulf Canada, a unit of Gulf Oil, will spend £7,000m over the next five years on capital projects and exploration.

● Measures to combat the mounting closures of Western Canadian oil wells were announced this week, by Mr Marc Lalonde, Energy Minister.

He was commenting on the anomaly that has arisen due to an unchanged oil import subsidy while import prices fall.

WEST GERMANY

West German energy consumption will probably fall by around 1 per cent to around 370m tonnes of coal equivalent although gross domestic product is likely to expand by about 1 per cent in volume. Demand for oil products will probably decline less strongly than in the past two years.

SOUTH KOREA

Spurred by domestic and overseas demands, South Korea's industrial production index, seasonally adjusted, rebounded in February to 238.5, up 2 per cent from January, and up 8.3 per cent from a year ago.

BIDS AND DEALS

Contracts have been exchanged for the sale by Norfolk Capital a subsidiary of the Kensington Fairway Inn, London to the Rabheru Group of companies. The price is £1.2m cash on completion, which is to take place next month.

The Toolco Group is to sell 49.9 per cent of its equity holding in Bradmill Industries in Australia and

other Australian assets to a subsidiary of Bruck (Australia).

Brint Investments, 23 per cent controlled by Burnett and Hallamshire, is taking a share stake in Australia's Moskalhara minerals, which owns coal reserves in South Australia's Arkaroola Basin.

Turriff of Australia has purchased Value Engineering (WA) by a new company which will be a wholly-owned subsidiary of Turriff. The price will be based on average pre-tax profit of the Value

business for three years to June 30, 1983, and is about \$900,000 cash (about £530,000).

Value, with a head office in Perth, Western Australia, provides technical support services particularly in the mining, oil and chemical industries.

Mr John Biffen, the Trade Secretary, is not to refer the merger of British Steel and the Round Oak Steelworks to the Monopolies and Mergers Commission.

LATEST RESULTS

Company	Sales	Profits	Earnings	Div	Pay	Year
Int or Fin	£m	£m	per share	pence	date	total
APV (F)	263(282)	16.3(15.3)	37.27(40.49)	6.8(6.8)	19/5	9.6(9.6)
American Tel. (F)	3,323(13)	2.36(2.28)	1.5(1.4)	—	—	2.2(2.1)
Barbican Stone (F)	39,530(2)	2,654(389)	6,68(11.57)	0.9(0.9)	—	1.7(1.8)
C. H. Beazer (F)	333(834)	1.64(1.8)	—	2.7(2.4)	—	—
Booker McConnell (F)	17,215(1)	10.2(9.48)	2.1(1.8)	—	—	3.5(3.2)
British Aero. (F)	1,682(1,423)	70.8(52.8)	36.5(33.5)	4.8(—)	—	7.8(—)
Cape Ind. (F)	218,92(18.7)	2,19(2.74)	1.7(1.7)	—	—	8.8(11.2)
Charterhall (F)	0.85(0.69)	0.05(0.05)	0.18(0.24)	—	—	—
Deaouff (F)	24,88(23.3)	2.0(2.5)	—	3(3)	15/5	8.7(8.7)
James Dickie (F)	4,124(58)	0.02(0.067)	3.8(2.3)	1.5(1.5)	—	0.8(1.7)
Dreamland (F)	8,901(1.24)	1.37(0.675)	—	10(8)	—	—
Enesa (F)	1,78(1.35)	0.18(0.15)	10.84(10.62)	3(2.75)	—	—
Ferry Pickering (F)	4,314(33)	0.88(0.83)	3.3(3.3)	0.9(0.94)	—	—
Grenham Holdings (F)	58,364(7)	1,041(4.4)	7.2(10.24)	3(2)	—	4.5(4.5)
Home Counties (F)	10,59(10.57)	0.045(0.4)	0.77(7.47)	3.2(4.7)	—	—
Kilmacart Berman (F)	—	21.8(22.8)	39(8)	7(6)	25/5	10(9)
Lambert Howarth (F)	16,11(16.59)	0.82(0.1)	14.5(16.1)	3.6(3.9)	—	4.7(4.6)
A. & J. Olsick (F)	79,68(1)	0.049(0.17)	—	—	—	1.4(1.4)
Reckitt & Colman (F)	82,17(726)	66.3(53.1)	31.1(21.74)	6(6)	8/7	9.8(9.5)
Rohan Group (F)	29,772(29.7)	4.02(3.71)	46.52(48.87)	6.2(5.7)	—	11.9(10.5)
Spiras-Sarco (F)	42,84(1.74)	7.35(8.1)	—	—	—	4.7(4.4)
Standard Chartered (F)	—	260(232)	166.1(125.8)	23(20.5)	26/5	37(32.5)
Shelving Credit (F)	—	0.7(1.48b)	0.27(10.58b)	—	—	—
Westminster Bank (F)	15.8(14.66)	1.31(1.13)	17.3(18.2)	3.7(3.2)	—	6.2(5.7)

Dividends in this table are shown net of tax on par value per share. Shareholders in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.426. Profits are shown pretax and earnings are net. a=Adjusted for scrip issue, b=Loss, c=For 9 months; d=After tax.



Schroders

The Earl of Airlie, Chairman of Schroders plc, reports on 1981.

The disclosed consolidated profit after taxation of the Group increased by 78 per cent to a record £14,714,000, compared with £8,230,000 in 1980. This result includes capital profits of £8,684,000, realised mainly by our investment holding companies. The Directors are recommending the payment of a final dividend of 10.5p per share which, together with the payment made last October, makes a total of 13.5p per share, representing an increase of 28 per cent over 1980.

Consolidated profits of J. Henry Schroder Wagg & Co. Limited and its subsidiaries were again higher than those for the previous year. The banking division had an active year despite the adverse economic environment and the volatility of interest and exchange rates throughout the period. In the investment division funds under management again increased. The corporate finance division enjoyed a high level of activity in both the domestic and international markets and acted for an encouraging number of new clients. Schroder Leasing Limited attracted a satisfactory level of new business despite an extremely competitive market and again made a significant contribution to Group profits. Schroder Life Assurance Limited has continued to expand its business vigorously and in the light of this its capital has been increased to £4 million.

Profits of our United States companies reached a record level. An increase in net interest earnings, together with substantial growth in fee and commission income and in trust revenue, more than counterbalanced modest losses on securities trading and investment management, lower foreign exchange dealing profits and higher operating costs. The improvement in net interest earnings was achieved despite a decision early in the year to limit loan growth in view of the uncertain economic environment. Corporate finance and investment banking activities expanded significantly.

J. Henry Schroder Bank A.G. in Zurich continued to make a material contribution to Group profits and its banking and investment divisions both expanded their business.

In Australia the Schroder Darling Group earned record profits in its financial year ended 30th June, 1981, but owing to difficult market conditions earnings during the six months to 31st December, 1981 were materially lower than those for the corresponding period of the previous year.

In the Far East we increased our shareholding in Singapore International Merchant Bankers Limited to 49 per cent and both this company and Schroders & Chartered Limited in Hong Kong achieved record earnings.

We are maintaining our activities in Latin America at a level consistent with prudent and profitable operations and our Brazilian associate enjoyed a particularly good year. A further increase in profit was recorded by our Middle East interests.

While some progress has been made in the battle against inflation, the adverse effects of recession are becoming increasingly severe and there is a clear need for a material reduction in interest rates in order to restore business confidence. So long as the United States continues to pursue its present tight monetary policy, combined with large budget deficits, this will be all the more difficult to achieve and in these circumstances nervous and volatile conditions will remain a feature of financial markets.

Against this unsettled background the banking system has continued to suffer from an excess of liquidity and low interest margins despite the clearly worsening financial position of a number of major borrowers. In the light of this we have been pursuing a policy of increasing the proportion of our capital resources devoted to portfolio investment. Some of the results of this policy can be seen in this year's figures which include substantial capital profits made by our investment holding companies. It is our intention to continue this policy though it would be imprudent to expect profits of this order of magnitude to be repeated regularly in future years.

It is most gratifying that in a year that has been difficult for almost everybody we have achieved record profits not only at Group level, but also in each of the principal areas of our business. This underlines once again the dedication and skills of the team that we have assembled around the world.

Group Companies, Associates and Representative Offices in: Argentina, Australia, Bermuda, Brazil, Canada, Cayman Islands, Colombia, France, Germany, Hong Kong, Japan, Lebanon, Saudi Arabia, Singapore, Switzerland, United Kingdom and United States of America.

If you would like a copy of the Report and Accounts, please write to: The Secretary, Schroders plc, 120 Cheapside, London EC2V 6DS.

"A year of vigorous development for the group"

Neil Mills, Chairman

Year ended 31 December	1981	1980
Revenue	£168.8m	£135.1m
Profit before tax and extraordinary items	£56.4m	£41.6m
Earnings for the year	£30.0m	£20.9m
Earnings per ordinary share	13.4p	10.1p
Dividends per ordinary share	6.0p	5.0p



Sedgwick

International Insurance and Reinsurance Brokers

BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Four out to net recruit

More than four firms of headhunters are travelling for a successor to Ronnie Punt, managing director and chief executive of Harland and Wolff, the state-owned shipbuilders which is desperate for orders. Punt, who joined the company almost 25 years ago, plans to retire at the end of May. He has been managing director during the past few years, a period since 1975. Word is that Harland and Wolff would like to recruit a shipbuilder and born in Northern Ireland, with a sound knowledge of shipbuilding, preferably including experience of marine construction overseas.

Such a specification may prove hard to match, but two Ulstermen presently occupy senior positions in Harland and Wolff: John Parker, and Eric Macle, who has injected new nerve and vigour into Govan Shipbuilders, the Clyde subsidiary of BS.

Production at Japan's steel mills and factories was up 1.1 per cent in February from the previous month, mainly because of a rise in exports of steel to the United States. The pace of production, however, was slower than a year earlier in January.

ANADA

Canada, a unit of oil, will spend \$2,000 million over the next five years on capital projects and exploration.

VEST GERMANY

Measures to combat the mounting losses of West German banks in the Soviet Union and Eastern Europe are being discussed.

OUTH KOREA

South Korea's steel exports fell 2.3 per cent in February from the previous month, mainly because of a decline in exports to the United States.

WEST GERMANY

Measures to combat the mounting losses of West German banks in the Soviet Union and Eastern Europe are being discussed.

OUTH KOREA

South Korea's steel exports fell 2.3 per cent in February from the previous month, mainly because of a decline in exports to the United States.

WEST GERMANY

Measures to combat the mounting losses of West German banks in the Soviet Union and Eastern Europe are being discussed.

OUTH KOREA

South Korea's steel exports fell 2.3 per cent in February from the previous month, mainly because of a decline in exports to the United States.

WEST GERMANY

Measures to combat the mounting losses of West German banks in the Soviet Union and Eastern Europe are being discussed.

OUTH KOREA

South Korea's steel exports fell 2.3 per cent in February from the previous month, mainly because of a decline in exports to the United States.

WEST GERMANY

Measures to combat the mounting losses of West German banks in the Soviet Union and Eastern Europe are being discussed.

OUTH KOREA

South Korea's steel exports fell 2.3 per cent in February from the previous month, mainly because of a decline in exports to the United States.

WEST GERMANY

Measures to combat the mounting losses of West German banks in the Soviet Union and Eastern Europe are being discussed.

The US President is short of allies in his fight over the budget Caroline Atkinson reports

Will Reagan have to compromise?

Washington. American economic policy is in a state of flux. Congress will not accept the budget President Reagan has proposed. Although there is much talk about the need for a bi-partisan approach to the economy's problems, the Democrats do not want to agree to potentially unpopular measures to reduce the deficit unless they are quite sure that Mr Reagan will support them and be seen by voters to be doing so. The President's sweeping congressional victories last year, when the Democrats did want to compromise, still rankle.

While this stalemate persists the projections of government borrowing get larger almost every week. Three factors are pushing them higher. First, the President's spending and revenue estimates were based on optimistic assumptions about the growth in the economy and the level of interest rates that would be consistent with the tight monetary policy of the Federal Reserve Board (FRB). As the economy has remained sluggish and falling inflation has been away at the automatic increase in tax revenues, the Federal Government's projected receipts must be revised downwards. Meanwhile, higher than expected interest rates and increased spending on unemployment and other income support programmes raise expenditure.

Second, the White House has in many cases underestimated the actual cost of the programmes which it proposes, according to the Congressional Budget Office (CBO). Even if Congress enacted all the further cuts in domestic spending programmes which Mr Reagan has requested and the economy behaved next year as he predicts, the deficit in the year from October would be \$116,000m (\$55,500m). The CBO says, rather than the \$91,500m originally forecast by the President. David Stockman, the Budget Director, recently admitted that dearer farm price supports could add \$5,000m to the original deficit figures included in the President's budget. And it now appears that the bill for Mr Reagan's defence programme will also come out at considerably more than the White House estimates.

Third, the President's budget includes domestic spending cuts which even Republicans are unwilling to enact in an election year and which the Democrats, who dominate the House of Representatives, which must also approve the budget legislation, are mostly content to accept. Although there is much talk about the need for a bi-partisan approach to the economy's problems, the Democrats do not want to agree to potentially unpopular measures to reduce the deficit unless they are quite sure that Mr Reagan will support them and be seen by voters to be doing so. The President's sweeping congressional victories last year, when the Democrats did want to compromise, still rankle.

What concerns economists about Mr Reagan's tax and spending policies is not this year's government deficit, not the next instalment of income tax cuts due in July but the prospect of ever widening federal deficits in the future. It assumes major savings which are unlikely to materialise from what the White House terms "management initiatives," such as the sale of some federal land and increased sales of off-shore oil leases. While Congress is doing nothing about the overall budget decisions, individual congressional committees are already working on details of spending, legislation and largely ignoring Mr Reagan's proposals. The budget runs on two tracks in Congress: budget committees in both houses set overall targets for spending, tax and the deficit which must be approved by Congress and are revised twice during the year. But meanwhile "appropriating" committees, which write the actual legislation approving spending on individual programmes, all work separately. The sum of the spending proposed by the individual committees and passed on



What concerns economists about Mr Reagan's tax and spending policies is not this year's government deficit, not the next instalment of income tax cuts due in July but the prospect of ever widening federal deficits in the future.

separate occasions by the whole Senate and House of Representatives, often may not match the targets set by the budget committees and also agreed to by the whole of Congress.

Last year, Mr Reagan persuaded Congress to use a special parliamentary procedure, called reconciliation, to force individual spending committees to hold spending limits set out by the budget committees.

However, that annoyed many of the committee chairmen whose power was drastically curtailed and it is unlikely to be repeated this year. The President's fiscal policies thus favour the defence sector and private consumption by middle and upper groups, at the expense of public and private investment and consumption by the poor and lower income groups.

Moreover, the economic stimulus from continued large budget deficits will be undercut by the extremely restrictive stance of the FRB. Although Mr Reagan officially supports the tight monetary policy, his own proposals for spending and taxes are in basic conflict with it. Cutting the budget deficit will not stimulate the American economy but if accompanied by easier money it would lead to lower interest rates and more balanced growth. While budget policy makers, those running monetary policy are also running the American economy.

Business Editor

Standard pauses to rethink

A £234m surplus thrown up by a property revaluation and the year's retained profits have boosted Standard Chartered's net assets to nearly £12 a share. But the gap between this and the market price of 66p gives some indication of the uncertainty felt over what Standard Chartered plans to do in the wake of its abortive merger plans with Royal Bank of Scotland.

A sterling deposit base for a bank with truly international aspirations remains as desirable as ever but it is clear that the opportunities for Standard Chartered are limited in the United Kingdom. For the time being, the bank is examining a number of more modest options to the Royal Bank merger, including the expansion of its consumer finance side, Chartered Trust.

Despite Mr Reagan's rhetoric against public spending, the share of GNP taken by total federal spending — both defence and non-defence — is unlikely to fall much from last year's 23 per cent, the CBO calculates. The prospective deficits come as a result of a sharp decline in taxation, which will primarily benefit individuals and successful companies. The share of GNP going in federal tax will shrink from 21.1 per cent last year to about 18.3 per cent in 1985 and 17.7 per cent by 1987, again according to CBO estimates.

The dividend is being raised by 14 per cent to give a yield of 8 per cent. Brit. Aerospace A320 funding — Sir Austin Pearce chairman of newly-denationalised British Aerospace, could scarcely conceal his annoyance yesterday at Government delays in approving launch aid for the company's share in the proposed A320 150-seater European Airbus. It has already taken him a year to write out of Whitehall agreement on principle to back further British involvement in the consortium, and he fears it will be mid-summer before he knows the amount. The sums involved are considerable. A 20 per cent share on the A320,

which means the company making the wings, could cost £400m but if the Government agrees to Sir Austin's hope of winning 30 per cent, which includes the front and the aircraft, the figure soars to £600m. Sir Austin was not saying how much launch aid he was seeking.

The trouble, said Sir Austin, was that the A320 was five or six years early. By 1989 BAE would not be asking for Government aid because the hoped-for profits from the existing Airbus, the A300 and A310, would be flowing into the partners' coffers.

BAE's 1981 results show that £50.5m of launching costs were written off "and we cannot take any more", said Sir Austin. The French industry, a leading member of Airbus Industrie, saved a "down payment" on all projects "and if the Government does not put us on a comparable basis we are on a hiding to nothing". BAE's current frustrations are against a background of the continuing slump in the world airline business and uncertainties over defence spending. And despite the two-year order book and 17 per cent rise in sales last year, the City's initial euphoria over the BAE share sale a year ago has diminished. Since hitting a peak of 252p in the middle of 1981, the shares have dipped to 171p.

The liberal line adopted by the big German banks in writing down East European debt might have been expected to dent their 1981 performance. But in the event, Deutsche Bank and Commerzbank appear to have turned the corner with even Commerzbank hoping to pay a dividend this year after lapsing in 1979 and 1980. Dresdner fared worse with net profits 10 per cent down at DM139m and the dividend cut from DM6 and DM4.

There are three main reasons for the tentative improvement. First, a proportion of loans at fixed interest rates are reaching maturity. German banks have a higher proportion of fixed rate lending than their British brethren and high interest rates have been squeezing financing costs over the past two years. Second, interest rate margins widened last year and have continued to do so in 1982. And third, provisions against industrial collapses have declined. In the case of Commerzbank, the 1981 provision against AEG fell from DM38m to DM15m.

Clifford Webb

Ending the car price chaos

Ford of Britain's decision to cut its car prices by nearly 5 per cent would seem to have far reaching implications for the whole of the British motor industry. As the market leader Ford has long set the benchmark for car prices across a wide range of models. Surely its rivals will have to follow suit or concede even more market penetration to Ford's already impressive 32 per cent market share. Or will they?

In fact, Ford's new prices are close to the actual prices which its customers are already paying, thanks to the extensive discounting it has encouraged by paying big bonuses to dealers for beating factory sales targets. This has led some commentators to suggest that Monday's announcement was little more than a formal acknowledgment of an existing situation.

Nothing could be further from the truth. Ford has not been alone in its discounting. For the past 18 months the cut-price war has been so fierce that every firm selling cars has been forced to reduce profit margins and encourage dealers to do likewise to keep stocks moving.

The net result is probably the most chaotic pricing structure for many years and one which manufacturers and dealers would like to see ended as soon as possible. Ford's bold action will go at least a measure of much needed stability by forcing other manufacturers to announce retail price in line with what their cars are already fetching in the market place.

BL will not be one of them. It is adamant that it will not follow Ford's price-cutting and points out that in the past year Ford has increased its prices by an average of 15 per cent while its own went up by only 10 per cent. As a result of this overpricing Ford is overstocked and this is its way of clearing that stock, said a BL sales executive after the Ford announcement. We stopped discounting last year except in the case of models which are being cleared to

make way for replacements. Ford has got itself into a real mess with discounting and only something as dramatic as pricecutting will sort that out.

And BL should know. In the winter of 1980-1 it was itself heavily criticised for offering big bonuses to its rivals claimed were mainly responsible for the discounting which has continued ever since.

Mr Sam Toy, chairman of Ford of Britain, insists that

financial trouble every penny was needed back in Detroit.

Now it appears to be suggesting that mounting pressure for British prices to be brought into line with the continent is disrupting UK sales by inducing motorists to stay out of the market while they assess the benefits of buying in Europe. The number of Fords imported from Europe rose sharply from 17 in January, 1981 to 300 in December. But in annual terms that is only

built Japanese Triumph Acclaim the whole of the state controlled British car range is home produced. Enormous improvements have been made in productivity at Longbridge, bringing it in line with European standards. Profit margins are strong. The best-selling Metro are today healthy enough to stand cuts. But Metro is only the tip of BL's long awaited new car programme and it needs every penny of Metro profits to continue winning government finance for the remainder of the programme.

One of the areas hardest hit by Ford's action could be the second hand car market. Yesterday's office Ford's dealer meeting on Sunday when the cuts were announced, pointed to the car park filled with dealers' own Granadas and announced: "I calculate that lot have £1.5m in depreciation at the stroke of a pen."

A Midland distributor handling a range of makes including Ford, said last night: "Used car prices will fall. I don't think we like it or not Ford's price cuts will re-align prices at a much lower level. There will be a rush by the trade to reduce stocks and that in itself could lead to some panic selling. No one will want to be caught with stocks that he has had on his hands for more than a few weeks."

But some dealers disagree. They suggest that used car prices are already determined by the level of discounted new car prices and not published retail prices. The acknowledged authority on used car prices is the trade publication Glass's Guide. Yesterday its office was inundated with calls from dealers wanting guidance on the effects of Ford's action. Mr Michael Lacey, a Glass's director, said: "A price-cut by the market leader can only result in a downward realignment of used car prices. But we shall have to wait for a week or 10 days before the picture becomes clear. Already people are becoming anxious about their stocks, but in today's turmoil — you can count the number of buyers on one hand."

But BL is the odd man out. With the exception of the Honda-designed and part-

Ford Fleet 1.1L 24,182		old price
Austin Metro 1.5L 24,025		24,298
Renault 5 GTI 24,048		
Honda Civic 1.3 23,845		
Ford Escort 1.1L 24,288		old price
VW Golf 1.6 24,108		24,473
Datsun Sunny 1.2 23,748		
Talbot Horizon 1.1L 24,098		old price
Austin Ambassador 1.7L 25,105		25,105
Vauxhall Cavalier 1.5L 25,153		
Ford Granada 2.3 25,848		old price
Vauxhall Cavalier 1.7 25,105		25,105
Peugeot 505 2.0 27,900		

HOW THEY COMPARE

Busy Alan to widen frontiers



Alan McLintock... tradition

Alan McLintock has been appointed senior partner of the 105-year-old firm of chartered accountants Thomson McLintock & Co., the British member of Amsterdam-based Klynveld Main Goerdeler.

A grandson of the founder, and the only remaining member of the Scots family among the 138 partners, Mr McLintock succeeds James McNair, who is retiring.

Mr McLintock, 56, and a "very amateur" musician, intends to play no radical variations on the McNair theme.

NEW APPOINTMENTS

Mr Jean-Marie Poltras has been elected to the board of Alcan Aluminium. Mr Poltras is chairman and chief executive officer of La Laurentienne Mutuelle d'Assurance of Quebec City, and a director of the Canadian Chamber of Commerce.

Mr Gareth Davies has been appointed managing director of Codex (GRC).

Mr Roy C. Jennings, the retired managing-director of Chipman will be succeeded by Mr David R. Knight.

Extracts from the Chairman's Statement

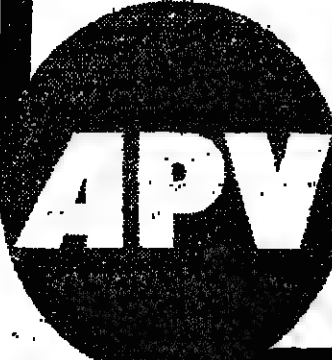
- Ordinary dividend increased for fifteenth successive year.
- Overseas profits maintained at £10.6m but recession hits UK profits.
- Orders of £294m maintained at same level as previous year.
- Borrowings contained — debt/equity ratio reduced from 26% to 22%.

SALIENT FIGURES.		1981	1980
Sales		£000	£000
Profit before tax		293,000	282,000
Earnings per share		16.400	18.560
Ordinary dividends		37.26p	40.49p
		9.6p	9.0p

The APV Group operate as process engineers, plant manufacturers, fabricators and steelfounders to the dairy, food, brewery, chemical, petroleum and marine industries throughout the world.

The A.G.M. will be held on 18th May at the Institute of Directors, 116 Pall Mall, London SW1.

Copies of the Report and Accounts will be available after 23rd April 1982 from the Secretary, APV Holdings PLC, P.O. Box 4, Crawley, West Sussex RH10 2QB.



Steetley

'A good performance in the face of adverse conditions'



The Lord Boardman
Chairman

Minerals extraction and processing, the production of construction materials, refractories and chemicals, plant engineering and distribution of chemicals, industrial and electrical supplies.

Results for the year 1981

	1981 £m	1980 £m
Turnover		
UK including exports	203.7	195.0
North America	102.5	65.9
Australia	59.5	44.8
Western Europe	34.7	38.8
Middle East	2.0	1.2
	402.4	345.7
Surplus before tax		
UK including exports	13.6	15.9
North America	6.5	5.0
Australia	4.1	2.5
Western Europe	1.9	1.6
Middle East	0.3	0.2
	26.4	25.2
Net interest payable	(9.1)	(7.0)
	17.3	18.2
Net profit after taxation attributable to ordinary shareholders	9.1	14.5
Capital employed	228.1	205.6
Capital expenditure (including acquisitions)	27.4	18.1
Net earnings per ordinary share	15.5p	26.12p
Ordinary dividend	10.5p	10.5p
Number of employees	8081	8236

Copies of the annual report are available on request.



STEETLEY
resources for the world's industry

The Steetley plc, Gateford Hill, Worksop,
Nottinghamshire, England, S81 8AF.

An abridgement of the annual review by
Mr. J. Oglivie Thompson, chairman of Anglo American
Gold Investment Company Limited.

AMGOLD

**"While the price may languish in the near future,
gold's ultimate role remains unchallenged"**

**In the meantime there are grounds for believing that gold will regain its importance
among other forms of wealth**

The dollar price of gold declined more or less continuously throughout 1981, confirming the trend that was established during the latter half of 1980. As the financial year opened, the gold price stood at \$470 per ounce, but it decreased by 22.8 per cent to \$363 of the year end. Over calendar 1981 the average price was \$460, some 25 per cent below 1980's average price. The impact on the industry of this substantial fall in the dollar price of gold was cushioned by the average depreciation of the rand against the dollar of 10.6 per cent, so that the rand price received by the industry was \$400 per ounce compared with \$477 in 1980 and \$258 in 1979. Consequently, neither the gold mining industry, nor the company, repeated the spectacular results achieved in the previous period. Anglo's equity earnings of £246.3 million were 21.8 per cent below the record level of the financial year to February 1981. However, the company's profits, while only about three-quarters of the previous year's, were still almost double those achieved in 1980. As foreshadowed last year, a higher proportion of earnings was distributed so that dividends totalling 1,000 cents were declared, a reduction of only 13 per cent on the previous year.

It is clear that economic and financial influences dominated the gold market during the period under review, completely overshadowing disturbing political events which included, for example, the assassination of President Sadat, continued tension in the Middle East and the Polish crisis with all its adverse implications for east-west détente. The intrinsic effects of the non-political factors can be seen by taking a broad perspective of developments over the past 10 years. Over this decade the price of gold increased sevenfold in real terms as a result of sharp adjustments to posted prices in 1973-4 and 1979-80. These events in themselves helped to take the gold price to new peaks in 1974 and 1980. However, below the first oil price shock, and in the intervening years, the oil price remained on a relatively stable or slightly declining trend. In most of these years conditions have been favourable for gold, either for fabrication usage or investment purposes. This was so because of accelerating economic growth in the OECD countries against a background of a weakening real oil price, with inflation within politically tolerable levels (as in 1973-4 and 1979-80). Only in 1974-5 was there a combination of a falling real oil price and deep economic recession, together with an eventual rise in real interest rates, offset from a substantially negative position. In this period the gold price fell to its relative low of \$103 in September 1976, but the economic adjustment prior to that, and comparatively accommodating official policies, led to a sharp recovery from 1976-9.

The most recent phase has been very different. Although industrial production in the OECD area since 1979 has not decreased nearly as much as it did in 1975-6, stagnation has become the crucial issue. The beneficial impact of another decline in the real oil price, which reflects on this occasion the loosening of the previously strong link between economic activity and energy consumption, could, in other circumstances, have led by now to a resurgence of real growth. However, in this episode much more determined anti-inflationary policies have been pursued, especially in the United States, and the weak recovery in output has not been maintained. While real growth in GNP remained marginally positive on average during these past two years, the slowdown in wealth creation, the reduced Opec surplus and the conspicuously attractive returns on financial assets were hardly conducive to investment in commodities, including precious metals and gold in particular.

Yet despite this increasingly hostile environment, which dampened speculative activity and encouraged bearish positions on the futures markets, approximately the same physical quantity of gold was absorbed in 1981 as in 1980. While prices were generally declining, the average dollar price was nevertheless 50 per cent higher than in 1979. But total supply was much less. Furthermore, in comparing 1981 with the previous year's out-turn, the underlying improvement in the statistical position is seen in the reaction of flows of scrap gold on the supply side, and jewellery fabrication on the demand side, to the lower price. Preliminary estimates are that the scrap fall in

secondary recovery, given a slight reduction in mine production, compensated to a considerable extent for the surge in sales from the communist bloc. The broadly similar total supply was absorbed largely because the demand from the jewellery industry is thought to have almost doubled from the 1980 low, although other fabrication usage remained roughly the same. Offset for official coins improved somewhat as Kruggerand sales absorbed 3,559,518 ounces compared with 3,142,500 ounces in the previous year. Central banks apparently remained net buyers of gold, although on a reduced scale, and the major drop occurred in the area of net hoarding and investment.

In assessing the outlook for the gold market, it appears that supplies are likely to remain relatively tight at around 1981 levels, allowing for the maintenance of strong Russian sales but excluding the possibility of swap transactions from this source. One must assume also that major central banks in the West and the IMF will abstain from selling. This seems to accord with the attitude expressed by the majority of members of the US Gold Commission and authoritative international opinion. Indeed, the distribution of monetary gold holdings is still very uneven. In the light of this scenario, the price will be determined largely by the impact of fabrication and investment demand.

Persistence by the US Administration to finance the mounting budget deficit without excessive money creation will mean a further reduction in inflation, and the maintenance of relatively high real interest rates. The technical and other difficulties that this significant readjustment, with its inevitably delayed 'supply-side' response, implies for the US and European economies are well known and are the subject of intense debate. It could be that success will be secured in the longer term if Western electorates perceive this to be to their advantage. In one sense, such an outcome is not propitious for gold. But to the extent that it will place the Western economies back on the path of sustained growth, it will have positive effects on fabrication demand and result ultimately in lower real interest rates which should make gold more attractive as an investment medium.

However, success is by no means certain and political strains are becoming more evident. In any case, if past patterns are a guide, some improvement in growth and a less buoyant dollar can be expected later this year, although a permanent abatement of inflation may require structural adjustments of much longer duration. Policy options are complex and confused but it is not unrealistic to hope that present conditions will not remain as difficult for the gold market. While the price may languish in the near future, gold's ultimate role remains unchallenged, irrespective of arguments for or against any return to a gold standard. In a world likely to be marked by political, economic and financial uncertainties, there are grounds for believing that gold will regain its importance among other forms of wealth.

Conclusion

The rising gold price over the last decade led the mining industry into embarking on substantial capital expenditure as it brought into play low-grade ores of one both within and outside current lease areas so that the lives of many of the mines have been prolonged. However, the United States has continued to pursue tight monetary policies in its endeavours to reduce the rate of inflation so that the gold price is presently being subjected to tremendous pressures. The lower gold price will call for regular review of capital expenditure programmes, continued attention to working costs and productivity and, wherever possible, an increase in the grade of ore mined. The average rand price of gold so far this year is \$263 per ounce compared with \$400 for the whole of last year so that with continuing inflation the combined impact on profits and dividends is self-evident.

It is to be hoped that the problem of world-wide inflation will at least partly be solved so that interest rates can come down and satisfactory economic growth can resume. In this event I believe that stability will return to the gold market and confidence will be restored in its ultimate investment medium.

The Annual General Meeting will be held in Johannesburg on April 23 1982. Copies of the annual report may be obtained from the London Office at 40 Holborn Viaduct, London EC1P 1AJ or from the Office of the United Kingdom Transfer Secretaries, Charter Consolidated PLC, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

KLEINWORT, BENSON

Profit down as bullion dealing slips

Lower bullion dealing levels from the exceptional heights of the previous year have led to a small drop in profits at the City's biggest merchant bank, Kleinwort, Benson, Lonsdale. After tax and transfer to hidden reserves, profits are down from £22.9m to £21.7m in 1981.

The 1980 profits have been restated upwards from £19m to allow for a new treatment of stock relief, which is no longer provided for United Kingdom stock relief arising in the year.

Kleinwort does not separately identify profits of Sharps, Pixley group, the bullion dealing operation, but profits were well down because of lower activity and lower activity in the deposits of bullion in the balance sheet are down from £556 at the end of 1980 to £501m.

Mr Robert Brooks, finance director, said that Trans-European, which holds the group's North Sea investments, was the only section, apart from bullion dealing, not to do better. Oil revenue suffered after a rig broke adrift on the Argyll field.

The investment management side did well, as did corporate finance, where Kleinwort handled the British Aerospace and Cable and Wireless flotations. Kleinwort draws something under half of gross revenues from fee income.

The balance sheet, which contracted marginally in the second half of 1981, shows a rise from £3,100m to £3,600m during the year. Some lending business was turned away because of low margins but there were signs that the squeeze on margins has stopped, Mr Brooks said. Advances rose from £738m to £974m.

On the subject of hidden reserves, where Morgan

Grenfell recently came out in favour of disclosure, Mr Brooks said: "If everybody else disclosed, we probably would not be unhappy to."

CH BEAZER

Expansion call

C H Beazer, the Bath-based property development group, is calling on shareholders for £2.9m through a 6 for 25 rights issue at 125p per share to expand its housebuilding and property activities.

The group raised pre-tax profits from £1.61m to £1.65m in the six months to December, but this was after inclusion of a net contribution of £151,000 although the 1980 figures included £393,000 from sale of assets from the recently acquired Westbrick Products. Interim dividend is raised from 3.43p to 3.83p per share gross.

Expansion of the group will be by both organic growth and suitable acquisitions, the directors say, and the additional capital would strengthen the company's capital base.

Conditions in the group's property activities continues to be extremely competitive, the directors said, but with the wide spread of operations there should be an increased contribution from this division at the year end.

The building side of the group continues to improve, with the Westbrick acquisition proving a useful addition, and there are definite signs that the worst is now over in the engineering industry, say the directors.

The directors are forecasting dividends totalling 11.2p in the year to June 1982.

Beazer shares slipped 3p to 154p at the latest prices.

● Spirax Sarco Engineering: Dividend 4.286p gross (5.286p). Turnover for 1981 was £42.8m (£41.7m). Trading profit £8.2m (£7.4m) including interest receivable. £872,000 (£188,000). Pretax profit £7.3m (£5.2). Chairman said group saw some signs of slight improvement in the UK in the second half. With few exceptions, trading conditions in the other parts of the world remain depressed.

Early turnover reached about 2.56m shares.

Prices were higher in moderate trading of American Stock Exchange issues.

The stock market picked up a little steam in late trading to close mixed on Monday after drifting in a narrow range most of the day as traders hoped for an early "bottoming out" of the recession and lower interest rates. Trading was the slowest in more than six weeks.

WALL STREET

New York, March 30. — Prices opened slightly higher in active trading on the New York Stock Exchange.

The Dow Jones Industrial average was ahead by 0.09 of a point to 823.97 shortly after the market opened.

Advances outnumbered declines by 318 to 269 among the 971 issues crossing the tape.

HOME COUNTIES

Ads fall-off

A fall in advertising revenue hit trading at Home Counties Newspapers, whose publications include the Herts Advertiser and Thame Gazette — in common with others in the industry last year.

Pretax profits fell to £45,000 in the year to January 2, compared with £403,000 last time. The group is cutting the final dividend to 4.6p gross, from 6.78p last time, making the total payment lower at 7.14p, compared with 9.2p gross and the group's shares were unchanged at 58p yesterday.

Redundancy costs of £162,000 cover reductions in the production workforce which took place in February and the management hopes the savings made will be as substantial as expected although no benefits have yet shown through.

Mr William Gibbs, chairman, says advertising in all sectors, particularly situations vacant, showed a decline last year. He adds there have been a few signs of an improvement in advertising since the year end but nothing firm enough to base any long term recovery. "It depends entirely on what is happening in the economy but I am in no position to forecast," he said.

Group turnover remained static at £10.5m in the period. Investment income was £18,000 and interest received was £13,000 against £73,000. Extraordinary costs took £10,000 leaving earnings per share down at 0.77p compared with 1.47p. At a current cost level pretax losses were £175,000 compared with profits of £162,000.

GRAMPIAN

Mixed fortunes

Gramplan Holdings, a Scottish conglomerate, reported mixed fortunes from its industrial and consumer goods divisions last year but overall profits were depressed.

Pretax profits in the year to December are down at £1m compared with £1.44m last time in turnover lower by £6.4m at £58.3m. However, the final dividend has been held at 4.2p gross making a total of 6.42p gross and the shares rose a 1p yesterday to 61p.

The industrial division, which includes transport construction and plant hire activities, saw trading profits halved to £945,000 compared with £1.8m last time.

But the consumer division, which in 1980 returned profits of only £97,000 compared with £865,000 the previous year, sprang back with profits of £533,000.

BAMBERS STORES

Winter ills

Bambers Stores, the clothing retailer and manufacturer, blames the extreme winter weather and the recession for the squeeze on profits last year.

Pretax profits fell to £2.65m in the year to February 6 compared with £4.4m last time on sales that climbed by £9m to £39.5m. At the trading level profits were down to £4.1m against £5.4m. Property sales, excluding closure costs, added £1.36m, but interest charges at a similar level of £1.7m knocked pretax profits.

Mr Sidney Marks, the chairman, says that operating margins have been significantly reduced because of the recession.

● The profit of Riggs National Bank, reported on March 27, should have read \$24.35m for all of last year, an increase of \$11.0m over the previous year.

● British consulting engineers are likely to be credited with some £487m of earnings from work overseas for 1981. An incorrect total of £46.9m worth of work in hand was mentioned on March 23.

Base Lending Rates

ABN Bank	13%
Barclays	13%
BCCI	13%
Consolidated Crds.	13%
C. Hoare & Co	13%
Lloyds Bank	13%
Midland Bank	13%
Nat Westminster	13%
TSB	13%
Williams & Glyn's	13%

* 7 day deposits on sums of £10,000 up to £250,000 at 11%
£50,000 and over 11%

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 9EB Telephone 01-821 1212

The Over-the-Counter Market

1981/82	High	Low	Company	Price	Chgs	Divid	Yld	Actual	P/E	July	Tax
129	100	Ass Brit Ind CULS	128	—	10.0	7.8	—	—	—	—	—
75	62	Alarup Group	73	—	4.7	6.4	11.6	16.0	—	—	—
51	33	Armstrong & Rhodes	45	—	4.3	9.6	3.8	8.5	—	—	—
205	187	Bardon Hill	199	+1	9.7	4.9	9.7	11.4	—	—	—
107	100	CCL 11% Conv Pref	107	—	15.7	14.7	—	—	—	—	—
104	62	Deborah Services	62	-1	6.0	9.7	3.1	5.8	—	—	—
131	97	Frank Horrell	126	—	6.4	5.1	11.4	23.3	—	—	—
83	39	Frederick Parker	77	—	6.4	8.3	3.9	7.5	—	—	—
76	46	George Blair	53	—	—	—	—	—	—	—	—
102	93	Ind Prec Castings	95	-1	7.3	7.7	6.8	10.3	—	—	—
109	100	Isis Conv Pref	108	—	15.7	14.5	—	—	—	—	—
113	94	Jackson Group	97	—	7.0	7.2	3.1	6.9	—	—	—
130	108	James Burrough	116	—	8.7	7.5	8.5	10.6	—	—	—
334	246	Robert Jenkins	246	-2	31.3	12.7	3.4	8.7	—	—	—
64	51	Scutrons	54	—	5.3	8.3	9.8	9.1	—	—	—
222	159	Torday & Carlisle	159	—	10.7	6.7	5.1	9.5	—	—	—
15	10	Twinklond 15% ULS	14	—	15.0	18.9	—	—	—	—	—
80	66	Twinklond 15% ULS	79	—	15.0	18.9	—	—	—	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.6	—	—	—
103	73	Walter Alexander	79	—	6.4	8.1	5.2	9.2	—	—	—
263	212	W. S. Yeates	232	+1	14.5	6.3	6.1	12.1	—	—	—

Prices new available on Prestel page 46146



Standard Chartered Bank PLC

1981 RESULTS

The Directors announce the results of Standard Chartered Group for 1981 as follows:

	1981 £ million	1980 £ million
Trading profit	287.0	248.7
Interest on Loan Capital	26.6	16.2
	260.4	232.5
Taxation	101.9	100.4
	158.5	132.1
Minority interests	23.6	23.4
Profit before exceptional and extraordinary items	134.9	108.7
Exceptional and extraordinary items	—	51.4
	134.9	160.1
Dividends	31.9	28.1
Profit retained	103.0	132.0
Earnings per share before exceptional items	156.1p	125.8p

DIVIDEND: The Directors will recommend at the Annual General Meeting on 13th May 1982 a final dividend of 23.2 pence per share, making a total distribution for 1981 of 37.0 pence per share. The final dividend will be paid on 26th May 1982 to shareholders on the Register on 30th April 1982.

BONUS ISSUE: The Directors will recommend at an Extraordinary General Meeting, immediately following the Annual General Meeting on 13th May 1982, a bonus issue of one fully paid ordinary share for every two ordinary shares currently held.

P.J. SPOONER
Secretary

COMMODITIES

COPPER: Higher grade closed standard grade cash, \$250.50-50; three months cash standard, \$250.50-50; 1980-81; 1981-82; 1982-83; 1983-84; 1984-85; 1985-86; 1986-87; 1987-88; 1988-89; 1989-90; 1990-91; 1991-92; 1992-93; 1993-94; 1994-95; 1995-96; 1996-97; 1997-98; 1998-99; 1999-00; 2000-01; 2001-02; 2002-03; 2003-04; 2004-05; 2005-06; 2006-07; 2007-08; 2008-09; 2009-10; 2010-11; 2011-12; 2012-13; 2013-14; 2014-15; 2015-16; 2016-17; 2017-18; 2018-19; 2019-20; 2020-21; 2021-22; 2022-23; 2023-24; 2024-25; 2025-26; 2026-27; 2027-28; 2028-29; 2029-30; 2030-31; 2031-32; 2032-33; 2033-34; 2034-35; 2035-36; 2036-37; 2037-38; 2038-39; 2039-40; 2040-41; 2041-42; 2042-43; 2043-44; 2044-45; 2045-46; 2046-47; 2047-48; 2048-49; 2049-50; 2050-51; 2051-52; 2052-53; 2053-54; 2054-55; 2055-56; 2056-57; 2057-58; 2058-59; 2059-60; 2060-61; 2061-62; 2062-63; 2063-64; 2064-65; 2065-66; 2066-67; 2067-68; 2068-69; 2069-70; 2070-71; 2071-72; 2072-73; 2073-74; 2074-75; 2075-76; 2076-77; 2077-78; 2078-79; 2079-80; 2080-81; 2081-82; 2082-83; 2083-84; 2084-85; 2085-86; 2086-87; 2087-88; 2088-89; 2089-90; 2090-91; 2091-92; 2092-93; 2093-94; 2094-95; 2095-96; 2096-97; 2097-98; 2098-99; 2099-00; 2100-01; 2101-02; 2102-03; 2103-04; 2104-05; 2105-06; 2106-07; 2107-08; 2108-09; 2109-10; 2110-11; 2111-12; 2112-13; 2113-14; 2114-15; 2115-16;

The industrial division... which includes... activities, saw trading profits... of \$1.9m last year... But the consumer division... which in 1980 returned... with only \$29,000... previous year, sprang back... with profits of \$533,000.

WINTER ILLS

Numbers Stores, the clothing... retailer and manufacturer... and the extreme winter... the squeeze on profits... Preliminary profits fell... compared with £4.1m last... year, to £3.5m. At the... time, the company had... profit of £1.1m. The... in January £1.1m. The... added £1.3m, but... of £1.1m knocked profits... down.

Mr. Sidney Marks, the... chairman, says that... profits have been... reduced because of the... The profit of... National Bank, reported... 24.35m for all of last... an increase of \$11,000... the previous year.

British consulting... firms are likely to be... with some \$18m... from work... 1981. An incorrect... of \$14m worth of work... mentioned.

Base Lending Rates

Counter Market

Chartered

SULTS

Chartered

SULTS

Chartered

SULTS

Chartered

SULTS

French crew do without any food and water

By Barry Pickthall

While the Kiwi crew from Ceramco, New Zealand, were celebrating their victory over the French crew yesterday, the French crew were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race. The French crew, aboard the 40-foot boat, were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race. The French crew, aboard the 40-foot boat, were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race.

Despite running 210 miles on Monday, averaging 8.7 knots, the French crew were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race. The French crew, aboard the 40-foot boat, were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race.

After running into calm close to the Azores, where the French crew were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race. The French crew, aboard the 40-foot boat, were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race.

In making that sacrifice, it now appears that the French crew were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race. The French crew, aboard the 40-foot boat, were still in the water, having lost their boat in the Wharfedale Round the World Yacht Race.

Cousins overtaken

Montreal, March 30 — Toller Cranston, of Canada, gave a near flawless performance in the 100m sprint, overtaking Robin Cousins, of Britain, and won the first event on the professional figure skating circuit on Monday night.

Cranston, third after Sunday's compulsory short programme, received six perfect and three 9.3 marks for 87.7 points and 266.4 overall. The Canadian, who had earned scores of 10 from two of the nine judges for 88.6 points.

Cousins, the reigning Olympic champion who had led after the short programme, had 255.8 points in second place. Gordie McKellan, of the United States, was third with 253.1 points.

Stomach trouble, a native of Romania's new living in America, edged McKellan, of Canada, to take the women's singles. — AP.

Runner breaks arms

Angela Creamer, 300 metres runner, broke both her arms after a fall from a beam training for the television programme. The fall occurred during a training session for the television programme.

Angela Creamer, 300 metres runner, broke both her arms after a fall from a beam training for the television programme. The fall occurred during a training session for the television programme.

Angela Creamer, 300 metres runner, broke both her arms after a fall from a beam training for the television programme. The fall occurred during a training session for the television programme.

Sentimental return of Gallic charmer who took America by storm

Catherine Lacoste, still proving it is the game, not the trophies, that count

In a recent issue of the American magazine Golf Digest, Gene Sarazen selected his leading 10 golfers, men and women, of all time. One name, gratifyingly, was the one who is underpinned by the European support of Catherine Lacoste, once of Paris, now settled in Madrid. It is either an aberration on the part of Sarazen, or a recognition that her career was too short at the highest level for full evaluation.

Meeting her at the Berkshire during the recent Avia Watches tour, some was to fall once again under the spell of her Gallic charm. She is now Catherine Lacoste de Prado and the 37-year-old mother of four children, aged from 11 down to two. Between 1971 and 1980 she also suffered two miscarriages, so that her serious golf virtually ended in 1970. By then she had acquired enough trophies to satisfy the most egotistical pot-hunter, but for the time she reappears, she is a different person.

Range over the whole field of women's golf down the years and you will not find another player who as able to win the United States Open championship at the age of 22 and five days, as she did in 1967. What made it all the more remarkable was that she was an amateur and a foreigner.

Yet, surprisingly, she regards the year from October 1968 as the high point of her career. During that period she won the championships of among other countries, France, Spain, Portugal and the United States Open remains "the most marvellous memory".

Ten days earlier she had suffered a stunning defeat in the British Amateur. Leading the strokeplay section, she was beaten in the first round of the matchplay by a compatriot, Marina Navratilova, who, according to the English school in Madrid, what her mother had correctly divined was that a release from the straits of the British championship would strengthen her reserves for more demanding American test a week or two later.

It was widely reported at the time that the American women had behaved badly in the face of defeat at the hands of a young, foreign, amateur upstart. Catherine Lacoste, encouraged apparently by the fact that her children attend the English school in Madrid, what her mother had correctly divined was that a release from the straits of the British championship would strengthen her reserves for more demanding American test a week or two later.

She has no doubts about the stroke that won the championship for her. She has seen a lead of seven strokes reduced to one coming to the last two holes at Hot Springs, Virginia, and people

John Hennessy Golf Correspondent

John Hennessy Golf Correspondent

John Hennessy Golf Correspondent

John Hennessy Golf Correspondent

John Hennessy Golf Correspondent

John Hennessy Golf Correspondent

Training centre 'best in Europe'

By Norman Fox, Sports Correspondent

Britain's melancholy record of providing indoor facilities for improving standards in sport was significantly improved yesterday by the opening of the new Tennis Association's National Training Centre at Bisham Abbey, Paul Hinchings, the station team manager, described the centre as "the best in Europe".

The Smith Report of 1980 identified many of the problems facing British tennis, but made it clear that players of high potential could not be expected to succeed unless they were provided with indoor facilities to match those found on the Continent. As a result the Sports Council, in partnership with the LTA in providing four "Supreme Courts" in what was the £2.5m general sports "workshop" at Bisham.

With a new outdoor artificial surface recently opened for football and other sports, the workshop has been adapted to allow exclusive use for tennis at agreed periods. The LTA have contributed £50,000 of the £150,000 required for the world-class tennis facilities which would be particularly important in the training of junior competitors. He also felt the LTA's involvement would include

the relationship between the sport's governing body and the players. The centre has medical and gymnasium facilities and six outdoor floodlit courts.

The 74 x 37 metres workshop can be used for tournaments and in the evenings by the local community. Dick Jeeps, chairman of the Sports Council, who opened the foundations for the future of British tennis, and Jim Cochrane, President of the LTA, said the realisation of a dream was the realisation of a dream.

The former Davis Cup player, John Clifton, and his wife, Margy, will run the centre. Clifton's appointment as National Training Centre Organiser, is for a three year period.

Athletes is also in need of an indoor competition site to complement the isolated facilities at Gosford. The Greater London Council and the Sports Council recently carried out a feasibility study into providing a "major indoor sports arena" but as yet there are no firm plans. The Sports Council has offered half the capital cost, favouring the Empire Pool at Wembley, but a site in the Docklands is also among the nine potential locations.

Winter tour abolished as Avon pull out

New York, March 30 — The 12-week women's indoor winter tennis tour is to be eliminated under a new, year-long schedule proposed by the Women's Tennis Association. The WTA, executive director of the WTA, said the aim was to reduce the number of big tournaments and make the game easier to follow.

Pecci pulls out

Zurich, March 30 — The fourth seed, Victor Pecci of Paraguay, has pulled out of the World Championship Tennis (WCT) tournament here, organizers said today. They said he gave no reason and will be fined \$5,000.

GOLF

GOLF

Authorized Units, Insurance & Offshore Funds

This table is published on Wednesday and Saturday

Unit Name	Current Price	Previous Price	Change
Authorized Unit Trust	100.00	100.00	0.00
Insurance	100.00	100.00	0.00
Offshore Funds	100.00	100.00	0.00

La crème de la crème

Director's Secretary

Salary up to £8,000

Greenford, Middlesex

We require an efficient and confident Senior Secretary. Applicants must have first class secretarial skills and a good education to at least 'A' level standard. This job is full of interest and offers the opportunity for initiative to be shown and deals with highly confidential matters and some administrative work. However, it also requires the ability to work at times under considerable pressure, and stamina and an optimistic outlook are essential.

The Company operates excellent conditions of employment including non-contributory pension scheme, bonus scheme and excellent sports and social facilities. Please telephone Miss J. S. Piper, Personnel Manager - Marketing/Admin., Glaxo Operations UK Limited, on 01-422 3434.

Glaxo Operations UK LIMITED

WHEEL AND DEAL

This centrally based trading company needs a top secretary to become involved in an international atmosphere dealing at a very high level. Your day will include client liaison and full use of your PA qualities. If you are looking for £7,000+ telephone Viki Lessman.

PERSONNEL 20+ £6,000

If you have recruitment and administrative experience together with good secretarial skills then you will not be disappointed in this large friendly company in W.I. Your rewards will be appreciation from your boss with each day different from the last. Immediate appointment available. Ring Jane Williams.

ADMINISTRATIVE £5,500

An outgoing personality will help you deal with clients, handle hectic telephone calls and organize this busy office for a large international company. As well as using good skills you will compose your own correspondence and look after all the administrative duties for a team of friendly and enthusiastic people. For more details call Margaret Lankester.

PENCHANT FOR PUBLISHING £6,500

Are you adaptable, willing to learn and have a sense of humour? If so, join a young and friendly team in a well-established publishing company. As a PA you will be responsible for the day-to-day running of the office and will be responsible for the ability to cope with a hectic environment. Your resourcefulness and personality. Ring Margaret Lankester.

Graduate Girls Secretarial

7 Park Lane, London W1K 7TE Tel: 01-422 3434

SECRETARY

The Secretary General of AMNESTY INTERNATIONAL requires a

to work at the International Secretariat in London.

The Secretary General is the chief executive of the Amnesty International movement and, together with his assistant, the Secretary is required to provide a full support service. This is an interesting, varied and responsible post and candidates should be interested in international affairs and have several years' secretarial experience at management level. Good secretarial skills are required (100%) as is the ability to write good English. A working knowledge of Spanish or French would be useful.

Salary £5,535 per annum (index linked) Lvs paid.

For an application form send a large S.A.S. to the Personnel Department, Amnesty International, 10 Southampton Street, London WC2E 7HF or ring 01-876 7788 ext 228.

Closing date for the return of completed application forms: 15 April, 1982.

TWO PA/SEC'S REQUIRED

for small Kensington HQ of Middle Eastern group with world-wide interests. Must be experienced, discreet, flexible, good communicators and have excellent shorthand and typing. Salary up to £6,500 + BUPA and four weeks holiday.

Contact STEVEN IZATT 01-852 9292 after 6.30 p.m.

The Economist

25 St. James's Street London SW1A 1HG

HAVE YOU A GOOD HEAD FOR HEIGHTS? AND FIGURES?

Experienced Secretary (PA) with a high standard in all financial office skills is urgently required to join our Finance Director on the top floor of our modern office overlooking St. James's Park. We offer an excellent salary and working conditions plus generous fringe benefits to the right person with an interest in finance and administration. Please write with full C.V. or telephone —

Liz Taylor 01-839 7000

FINE ART PUBLISHERS

Involve applications for the position of Senior Secretary/PA to International Sales Director. Candidates should be efficient and well presented, with excellent shorthand and typing skills. An opportunity for a bright person seeking stimulating work in a professional environment to become involved in all aspects of the business. Line an publishing business, situated in Notting Hill Gate, London W11. Written applications marked confidential, to Peterborough Road, London W11.

Stella Fisher Bureau 110 Strand, W.C.2. 01-636 6644 Recruitment Consultants

Stella Fisher

110 Strand, W.C.2. 01-636 6644 Recruitment Consultants

PERSONAL SECRETARY

£10,000 required for 2 years' experience with small firm in Charter of Surveys close to town Park. Salary £6,000 plus negotiable.

01-499 5511

EXPERIENCED MEDICAL SECRETARY

Required by busy practice W.I. Start as soon as possible. Salary £6,000 negotiable.

580 3621

GILES CHESTER

REQUIRE SECRETARY/PA for busy and successful business, public affairs and sales interests. Non-smoking, small office. Write with C.V. and salary history you think you are worth. FRANK, CHESTER

9 St. James's Place, London SW1A 1DE

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

Strictly Confidential

That's the sort of work you handle as Personnel Secretary at the Observer. So we're looking for someone who, in addition to good shorthand and typing, can maintain total confidentiality and display a good deal of tact.

Some previous experience in personnel work would be useful, as you'll be providing back-up to the Personnel Assistant on general personnel administration, as well as providing a complete secretarial service for the Personnel and Business Manager.

At the Observer you'll enjoy the busy and exciting atmosphere of a national newspaper, plus a convenient location, attractive benefits and a salary c. £5,400 (under review).

Find out more by contacting: David Benaim, Personnel Director, The Observer, 5 St. Andrews Hill, London EC4V 6JA. Tel: 01-236 0202 ext. 2568. (No agencies).

THE OBSERVER

DIRECTOR'S SECRETARY SENIOR POSITION

Abber Unit Trust Managers (a subsidiary of Abber Life Group) is currently undertaking a major development programme involving the re-organisation and extension of its Unit Trust activities.

Due to promotion of the present post holder we need a highly competent Secretary with at least two years experience at a senior level, preferably in a financial environment.

Exceptional shorthand and typing skills are required and we expect you to be qualified to RSA III level. Benefits include an attractive salary, free travel warrant after one month, non-contributory pension plan and mortgage subsidy plan.

Initial typewritten applications should be sent to: Angela Sammons, Abber Unit Trust Managers Ltd., 1-3 St. Paul's Churchyard, London EC4M 6AR. Telephone 01-236 1553.

SECRETARY £7,500

The Group Solicitor/Company Secretary of a substantial public company with a small friendly office near the Law Courts requires an intelligent and capable Secretary.

The office relies heavily on integrated word processing facilities, so a logical mind with an aptitude for, and interest in, these latest techniques will be essential. Training will be provided. Both audio and shorthand work is involved with legal evidence being helpful but not essential.

Excellent long term prospects and rewards are offered to the applicant with a reliable and sound background. Preferred age—35/35. 4 weeks holiday, non-contributory pension scheme and discretionary bonus scheme reaching 50% of salary are offered. Telephone Jan on 01-436 2825.

ADMINISTRATOR £5,500-£6,500 AGE 20's

We are a small City based high level Management Consultancy and part of a large international insurance group.

We are looking for someone to take charge of day to day administration, including preparation of monthly invoices. You will report to the Managing Director, but must be able to manage your own work flow.

To qualify for the position you should have good typing; be educated to 'A' level standard; be numerate and able to work as part of a small team. Previous experience in a purely administrative role is not essential. For further information, and to apply, please phone Sarah Smith, S.D.C. (International) Ltd. 01-486 0155

ADVERTISING M.D.'S SEC/PA

£8,000 This well established Agency needs a cheerful and extroverted Secretary for their very busy Managing Director. Good Sec. skills required. 100% + audio. Age 25-35.

SRM/SCM SECRETARY

This busy Harley Street practice needs an administrative Secretary with a talent for dealing with people. A newly trained person with the right personality could be considered. Typing 50 wpm; shorthand helpful. Salary very generous Age 25-35.

Angela Mortimer Ltd

01-629 9686

CITY LIVERY COMPANY

£6,500 This historic and traditional company needs a bright, energetic, 23-35 (preferably a non-smoker), with good audio to help with the day to day running of the company. Own office. A very interesting job in a comfortable surroundings with attractive fringe benefits (free lunches, very good holidays, etc.). Phone Harriet Howard

SENIOR SECRETARIES

3/6 Trump Street EC2V 8DA 01-606 1611

* PROPERTY SEC *

For friendly international estate/property on in Marble Arch. Working for the director of accounts you will be dealing at top executive level. Good computer, and outgoing team member is required. Salary £10,000. Lvs, light loan words and social club. Best offer and opportunity. Ring Jan 253 3161.

JOHN MURRAY ASSOCIATES

Recruitment Consultants

MAYFAIR ESTATE AGENTS

BRIGHT CO-HEAD NEGOTIATOR for small friendly firm. Previous sales experience preferred. Age 21+. Remuneration £4,377.50.

BERKELEY SQUARE

If you are good, call handle responsibility and like a stimulating environment with a possibility of overseas travel call us on 409 0868. Only the best should apply. No agencies.

WADDINGTON GALLERIES

We are looking for an administrative/research assistant to carry out research, edit catalogue and P.R. work. Typing/shorthand and some knowledge of 20th Century art are essential. For full details and application form write to:

Louisa Mair, Waddington Galleries, 2 Cork St, London, W1X 1PA.

ADMINISTRATOR

Can you motivate and supervise staff? If you can, and wish to earn a very heavy salary, we have a very exciting opportunity for a supervisor for a leading international company, commencing mid-April in E.C.1.

Pay will experience an asset. 15-25. Ring me now for more details. BEE GIBBS on 028 2691 (A9)

SHORTHAND SECRETARY

with a fast mind and excellent shorthand skills who will be able to keep pace with a combination of high speed dictation and a fast typewriter. An individual brand of dictation into the office of a senior executive in a well established large company. Must be able to drive and a first class applicant will warrant a first rate salary.

Telephone 403 4000

£8,500 NEG.

Our client, a young, dynamic Chairman of a highly successful P.R. Co., W.I., requires a thoroughly experienced and confident Secretary with excellent secretarial skills, Board level experience, an outgoing personality and social confidence. Interesting and stimulating work.

Phone Miller & McNish 320 Regent Street, A57 768 Recruitment Consultants

Public Relations £6,500

Organized photographic secretary. One film library, attend parties, receptions and administrative conferences. All part of your duties. Salary £6,500 p.a. to two successful executives. They have to negotiate for a 100% per cent involvement. Call Gail now. 479 7762.

Recruitment Consultants 115 New Bond Street, London W1

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

La Crème SECRETARIAL RECRUITMENT CONSULTANTS

Typists don't find us typical. 01-836 4086

LEGAL Opportunities!

LEGAL SW/SECRETARY

£7,500 Age 28-35 yrs.

Legal experience desirable but not essential. The ideal candidate will be a Secretary with a minimum of 2 years experience for busy position involving Matrimonial Law. A pay rise every 6 months.

LEGAL TEMPS

c. £3.70 per hour

BOOKINGS WEST END & CITY

All level Legal Secretaries/Shareholders or Audio required to join BARNETT PERSONNEL'S expanding Legal Team. Minimum speeds 100 Short. 100 Long. 100 Audio.

To find out more about these or our many other vacancies

Telephone Lyn Morgan BARNETT PERSONNEL LTD, LEGAL DIVISION

629-7838

ADMINISTRATIVE SECRETARY £8,000

A small but well established Computer Hardware company based in the city requires a high calibre, well educated Admin Secretary to provide a total administrative back-up to their expanding City operations. Reporting to the two joint Managing Directors, you will be responsible for a junior secretary and will be a person who enjoys using their initiative and taking responsibility in a vibrant team situation. Minimal shorthand and typing. Excellent career opportunity. Age 23-35 years.

Contact GEOFFREY NASH or JENNIFER BOWDEN on 499 9175

MacBlain Recruitment Consultants

Judy Farquharson Limited

17 Station Street, London, W17 6PD 01-493 8824

TOP PA-NW1

Chairman of successful American Co. needs cool, capable, mature Secretary with excellent secretarial skills to deal with all aspects of his highly confidential work. Age 25-35. Circa £2,500.

ENGLISH-ARABIC

The charming Director needs a top PA with fluent Arabic and excellent secretarial skills (100/50). Must be smart and diplomatic. Good prospects. Age mature 25-35. Circa £2,500.

PROPERTY-SW7

Young enthusiastic Secretary to cope with small busy office. Pleasantly important and good secretarial skills. Min one year's experience essential. Age 20-30. Circa £2,500.

PUBLICATIONS-SW1

Friendly successful Co requires a well organised Secretary to work for busy Sales Director and his team. Must be a good co-ordinator with excellent typing. Age 22-45. Circa £7,000. Call Joanna Rowan 01-485 3524

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced telex operator/receptionist required for small American Oil Company with luxury office in Knightsbridge. Good terms and pleasant telephone manner essential. Must be a sensible type of person willing to generally help out on the day to day running of office. Preferred age 25-35. Salary c. £7,000 negotiable. Lvs and BUPA scheme. Please telephone 01-235 0991 or write Box 1417 G, The Times.

TELETYPE OPERATOR

Experienced te

PERSONAL COLUMNS

HOLIDAYS AND VILLAS

GREECE IN APRIL & MAY

CORFU - SPETSIES - CRETE

EASTER SPECIAL 10 APRIL 2 WEEKS

£139 SPETSIES & CORFU. £139 CRETE

Holiday includes: flight, transfers, villa/taverna accommodation, meals, service and drinks. All inclusive.

£129 (17, 24 Apr) £139 (27, 24 Apr) £149 (17, 24 Apr)

£139 (17, 24 May) £149 (17, 24 May) £159 (17, 24 May)

£139 (23, 30 May) £149 (23, 30 May) £159 (23, 30 May)

All prices shown are for 2 weeks

ALSO LOOK FOR HIGH SEASON AVAILABILITY

AIRLINK, 9 WILTON RD., LONDON, S.W.1

ATOL 1188 Access, B card welcome

HOLIDAYS AND VILLAS

SKI SKI SKI

BLADON LINES

BARGAINS BARGAINS

CHARTER PARTIES

EN GATWICK

April 10th up to £200

1 week from £150

2 weeks from £150

April 17th up to £200

1 week from £100

Superb end of season, unoccupied slopes AND it has been snowing a lot for the last 2 weeks.

SKI BARGAINS

BLADON LINES

309 Brompton Rd

London SW2 2DZ

Tel: 01-861 4861

ATOL 1188

Access, B card welcome

EUROFARE

CUTS THE COST OF

FLYING

Guaranteed return fares from Gatwick to London, Manchester and Glasgow.

Lowest fares available on our programme. Phone us

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

RESISTA CARPETS

London's largest independent

carpet store, offering a wide

range of high quality carpets

at very competitive prices.

Free estimates and advice.

Call 01-735 1111

100, Tottenham Court Road

London, W.1P 0LP

Tel: 01-735 1111

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

Access, B card welcome

ATOL 1188

RENTALS

KEITH CARDAL

GROVES

PORTMAN SQUARE, W.1

3 bed, 2 bath, 2 car

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

£1,200 p.w.

Music with David Bellan.

5.0 As Radio 2. 7.0 Mike Read. 9.0 Simon Bates. 11.30 Dave Lee Travis including 12.30 Newsbeat. 2.0 pm Paul Burnett. 3.30 Steve Wright. 5.0 Peter Powell including 5.0-5.30 The Record Race 5.30 Newsbeat. 7.0 Radio 1 Muzibag: Phone-in on 01-580 4411. 8.0 David Jensen. 10.0 John Peel. 12.0 midnight Close. VHF Radios 1 and 2 5.0 am With Radio 2. 10.0 pm With Radio 1. 12.0-5.0 am With Radio 2.

[illegible]

area MF 720kHz/417m; LBC MF
n and VHF 94.9MHz World Service

TSW

As 'Thames' except: Starts 9.40
Sooty the Street, 10.35-12.00
Olive: Two cartoon films of Dickens's
story, 1.20 pm-1.30 News, 2.45-3.45
Brnkacn, 3.15-5.45 Redie, 6.00-6.30
Lookaround, 12.35 am News, 12.39
CJ sedion.

CHANNEL

As 'Thames' except: Starts 12.00-12.10
pa Windfalls, 1.20-1.30 News, 2.45-
3.45 Trapper John, 5.20-5.45

ULSTER

A1: Themes except: Starts 12.00-12.10 p.m. Windfalls. 1.20-1.30 Luncheon. 2.15-3.45 Great Depression. 5.15 Radio. 5.30-5.45 Good Evening Ulster. 6.30-6.35 Good Evening Ulster. 12.35 p.m. News. *Closedown.*

GRAMPIAN

A1: Themes except: Starts 9.25 First thing. 9.30 Film: *Story of Jacob and Joseph* (Kath. Mitchell). See story. 11.05-12.00 Golf. 1.20-1.30 News. 2.15-3.45 Great Depression. 5.15-5.45 *Survival*. 8.00-6.35 North Tonight. 12.35 News. 12.40 *Closedown.*

WHAT THE SYMBOLS MEAN: 1 STEREO
* BLACK AND WHITE (O) REPEAT

Court of Appeal

Court of Appeal

h

ratio of the case, so far as
trial for present purposes,
that, in the context of
giving the possibility of
total repudiation by the

...ants, both parties to an application to which no other party was under a duty to attend.

...ntial cooperation.

...operation still required an application from one party or the other, such as suggesting or requiring an application to the trial. Without such initiative, arbitration could not be a duty simply existed in the air.

...s a question must, therefore, be: whose duty was it at the time to take the initiative and to bring the duty to the attention of the court? In the present case, it was the claimant's duty at all times.

...Lordship's conclusion was that the arbitration agreement was frustrated by the passage of time and by the impossibility of bringing the dispute fairly, and the claimant was entitled to the aid of the complainants. The respondents' duty to cooperate with the complainants never arose, and the respondents were under no liability with respect to the respondents.

...ive to appeal to the House of Lords was granted.

...ictors: Holman Fenwick & Wootton; Sinclair, Roche & Temperley.

**Justice can
be done in
Britain as
people.**

**People in Britain
do them all.**

...beneficiary or receives an

clients in the drawing up of the most importance to the Britain's blind people, ever and wherever

FOR THE BLIND
LONDON WIN 66A
I for our work. The
end for full details.
Reg. No. 2262271.

RNIB
